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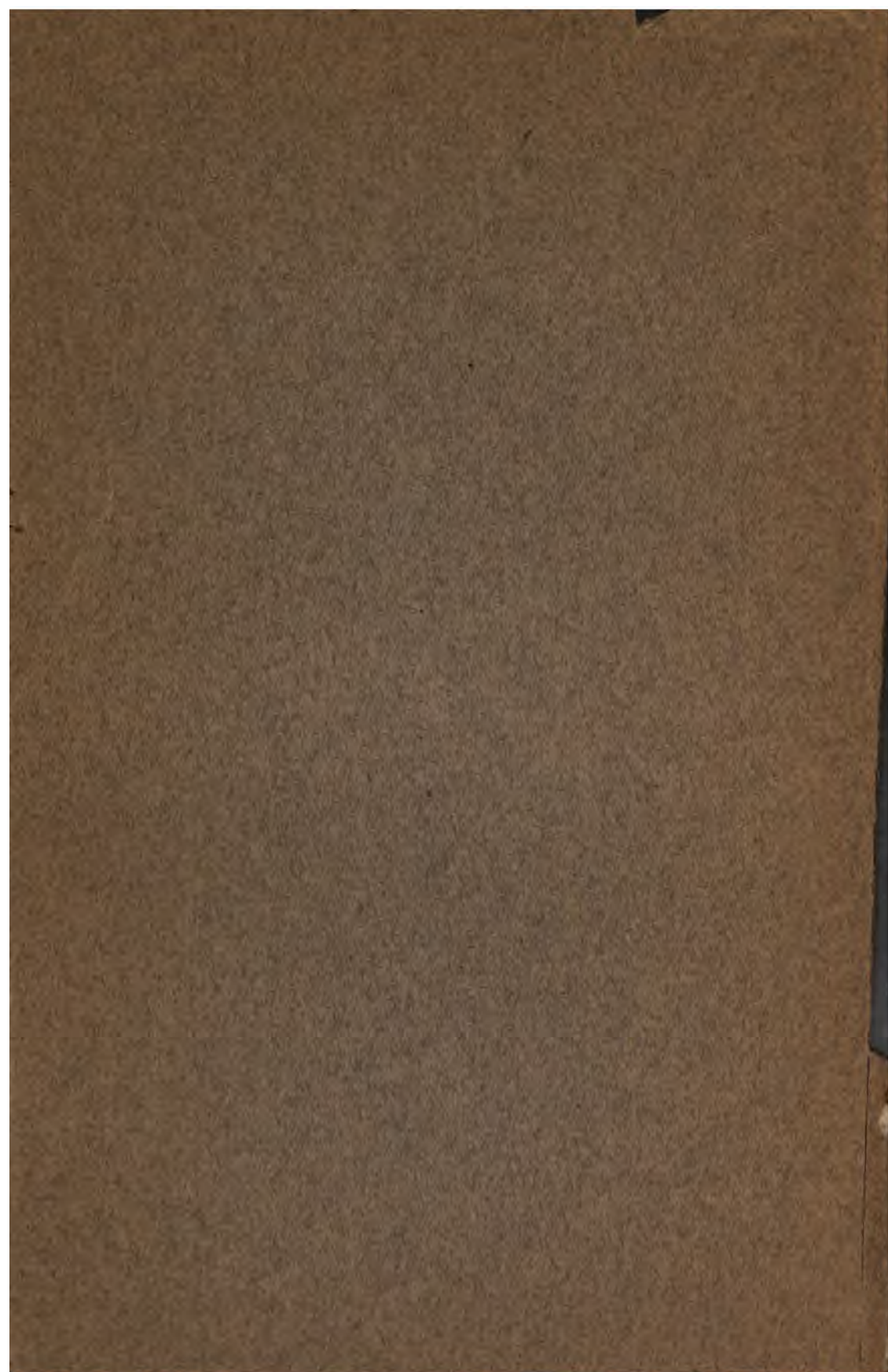
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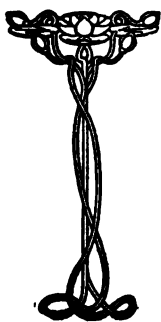
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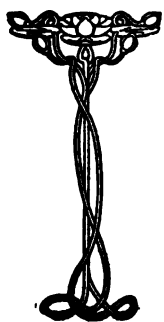
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SERIES X

DURHAM, NORTH CAROLINA

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## PREFATORY NOTE

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The three essays in this series of Historical Papers are the work of members of the Trinity College Historical Society. The first two were written by members of the class of 1914 of Trinity College and the third by the Professor of History in that institution. For most of the manuscript of James + Meacham's Journal and Travel the Historical Society is indebted to Mr. G. N. Meacham of Atlanta, Ga.

WM. K. BOYD,  
*For the Committee on Publication.*

October 1, 1914.



THE SEEMAN PRINT

# HISTORICAL PAPERS

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## SERIES X

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### Reconstruction in Cleveland County

BY J. R. DAVIS

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#### I. ORIGIN AND DESCRIPTION OF CLEVELAND COUNTY

During the session of the Legislature of North Carolina in the year 1841, Dr. W. T. Miller of Rutherford County introduced a bill to form a new county, to be formed partly from Rutherford and partly from Lincoln counties.<sup>1</sup> By the assistance of Honorable Michael Hoke and John Bunyan of Lincoln County the bill passed the legislature.<sup>2</sup> The new county was named Cleveland in honor of Colonel Benjamin Cleveland of Wilkes County; and the county seat, Shelby, in honor of Colonel Isaac Shelby. Both of these gentlemen played an important part in the battle of Kings Mountain, October 7, 1780.<sup>3</sup>

The purpose in chartering the new county was to enable

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<sup>1</sup> Dr. Miller was a very wealthy physician who lived in the southern part of the territory taken from Rutherford County to help form Cleveland. After being successful in getting a charter for the new county, he represented Cleveland in the legislature for several terms.

<sup>2</sup> See Chapter 9, Laws 1840-'41, of North Carolina.

<sup>3</sup> See Draper's *"King's Mountain and its Heroes."*

the people of the lower part of Rutherford and the western part of Lincoln to have a Court House and common meeting place of their own. The territory of Rutherford and Lincoln was so large that many of the inhabitants were too far away from the Court House. The people in the territory which is now Cleveland had been complaining for quite a while. As early as 1836 a mass meeting of all the citizens of lower Rutherford and western Lincoln met to petition the legislature for a new county. The following account of the meeting appeared in the *Carolina Gazette*, of Rutherford County, edited by Gray Bunyan:—

"A numerous assemblage of the citizens of the lower part of Rutherford County and the upper part of Lincoln County convened at the dwelling house of Teator Beam on Thursday, September 22, for the purpose of consulting together upon the expediency of petitioning to the next General Assembly for redress of their grievances so long endured by reason of the extent of territory composing the two counties and the consequent remoteness from their respective Court Houses, whereupon the meeting was organized by appointing George Cabaniss, Esq., chairman, and William Roberts secretary. On motion of Dr. W. J. T. Miller a committee of six from each county was appointed to take the subject into consideration, to wit: John Niell, James S. Oates, John Roberts, Robert Falls, Joshua Beam, and William Graham on the part of Lincoln County, Samuel Bailey, Yancey Reisendine, Thomas Roberts, Isaac I. Irvine, George Cabaniss, and William Covington for the County of Rutherford, who reported that the secretary prepare a petition to be presented to the citizens of said counties for their signatures and that the same be laid before the ensuing General Assembly praying that a new county be established, beginning on the South Carolina line at a point so that a line due north will strike the mouth of second Broad River, thence a direct line to Burke line so as to pass near the cross roads at John Smith's and thence by Seretzie's, thence with the Burke line to the Lincoln line, thence to the South Carolina line running near Thomas Black's, Isaac White's, William Cloteese's on Crowder's Creek, thence with the South Carolina line to the beginning. Which report being unanimously concurred in, the proceedings were ordered to be published in the "Carolina Gazette" and the "Lincoln Transcript" for the space of thirty days.

GEORGE CABANISS, *Chairman*,  
WILLIAM ROBERTS, *Secretary*,

October 6, 1836."<sup>4</sup>

<sup>4</sup> A copy of this petition was secured from Mrs. T. C. Borders, who had in her scrap book a newspaper clipping which contained the petition.

The assemblage of citizens above mentioned must have been the genesis of Cleveland County history. The members of that meeting deserve to be remembered, for their efforts were awarded in 1841 by the grant of a charter for the new county.

Cleveland lies in the southwestern part of the State. It is bounded on the south by the South Carolina line, on the west by Rutherford and McDowell counties, on the north by Burke County, and on the east by Lincoln and Gaston counties. The area of the county is four hundred and twenty square miles, or 268,800 acres.

The general slope of the county is to the south. The surface is somewhat rolling, especially in the northern part, where small chains of mountains are found. The most level portion is in the southern part. The soil is generally sandy, especially in the level sections.

The county is dotted with streams, such as rivers, creeks, and spring brooks. Many of these streams have been harnessed and are generating much power—power which is utilized in running cotton gins, factories, corn mills, etc. The valleys along these streams abounded in early days with many herds of fleet-footed deer, dens of clumsy brown bears, fierce wild cats and panthers, and many beavers built their dams on the creeks. These beavers were responsible for the name Beaver Dam as applied to the western section of the County.

Transportation facilities were exceedingly poor in the early years of the county,—there being no good highways nor railroads. The first dirt road of any consequence to be established across the county was laid off in 1852. The road from Lincoln County via Froenberger's Paper Mill to the upper Island's Ford and thence to the South Carolina line in the direction of Greenville, South Carolina, was thus opened up. The first overseers of the above road were F. L. Hoke, from Shelby to the old county line road, Lewis Gardner, from there to Yarboros, and Newton Long from Yarboros to the Gaston Line, and John W. Logan, from his home to the Rutherford line, with all the hands within three miles of said road to cut it out and keep it up.<sup>6</sup>

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<sup>6</sup> See the Mss. Minutes of the Court of Pleas and Quarter Session of Cleveland County.

The first railroad to be built across the county was not constructed until after the War between the States. Cleveland, though, voted in 1857 for one thousand shares in the Wilmington, Charlotte, and Rutherfordton Railroad, but this road was not built through the county until 1872. The vote in the election for shares in the road stood 698 to 502. A tax of fifty cents was levied on the poll to pay for the railroad stock. However, bonds were issued and sold at 7 per cent interest to pay for the above mentioned shares.<sup>7</sup>

The early settlers of the county were Scotch-Irish and Germans. They came in the early part of the eighteenth century from Pennsylvania and Virginia. These, as many other settlers, came to America seeking religious and economic freedom and finding those two colonies too crowded moved on into North Carolina. Among those of the Scotch Irish settlers were the Allens, Armstrongs, Berkleys, Barnetts, Coopers, Coxes, Davises, Grahams, Hunters, Jettons, Kings, Stacys, Thompsons, Alexanders, Beatys, etc. Some of the early German names in the county were Beam, Anthony, Dellinger, Weber, Hoke, Hull, Lutz, Plunk, Schenck, Workman, Heil (Hoyles), Jonas (Jones). Many of the above still retain the Scotch-Irish and German accent. In some instances Weber has changed to Weaver, Heil to Hoyle, etc.

The population of Cleveland for 1860 was 12,348 or an increase of about two thousand over 1850. Of these, 2,131 were slaves. The largest slave owner was Mr. Froenberger, who lived near Buffalo Creek in the eastern part of the County and ran an iron and paper factory in which he worked about one thousand slaves. With the exception of Mr. Froenberger, the slave owners possessed on an average about five to ten slaves each.<sup>8</sup> The average size of the farms was small. A great many of them ranged from two hundred to three hundred acres.<sup>9</sup> One reason for so many small farms and small slave owners is that there were no nearby markets to encourage large scale productions. Also the farmers were ignorant of the modern scientific methods of farming. Therefore it was impossible for them to produce abundant crops on soil that

<sup>7</sup> See minutes of the Court of Pleas and Quarter Sessions of Cleveland County for 1857 and 1859.

<sup>8</sup> Census for 1860.

<sup>9</sup> *Ibid.*

required fertilization and rotation sufficiently to make slavery profitable even if they had had a market for their products. They cultivated only the rich spots and left the poor lands for pasturing. The following statistics will give an idea of how much farming was done in the County in 1860:<sup>10</sup>

Ginned cotton, bales of.....	476
Corn, bushels of .....	379,985
Wheat, bushels of .....	86,317
Oats, bushels of .....	22,099
Tobacco, pounds of .....	24,317
Wine, gallons of .....	246

It is interesting to note that there were only 476 bales of cotton ginned in 1860 as compared to 23,474 in 1913.

As mentioned above, there were no convenient markets. The farmers had to haul their products either to Columbia or Charleston, South Carolina. The above table shows that 24,317 pounds of tobacco were produced; today there is none. Most of the tobacco was carried to Columbia for sale. The method of carrying it is different from that of the twentieth century. The tobacco was packed in an immense hogshead, a cylinder was put through the center, shafts were fastened to each end of this to which a horse was hitched. In this manner the hogshead was rolled to a distant market over the rough roads and through the small streams, yet the tobacco remained dry and uninjured.<sup>11</sup>

There was some manufacturing in the county before the war. The women made nearly all the cloth for clothing the family; the men made the shoes and the hats. Moreover, in the Sharon settlement there was a pioneer hat factory. The hatters took the hides of muskrats, otters, and minks, fastened them to a flat table, ten feet from which was fastened a large bow and string. The string was caught in the middle, pulled back arm's length and let fly, thereby cutting the fur from the hide. The hide was then boiled and cut into circles large enough for hats. The circular piece of hide was put into the shape of a hat and then a string was tied around it.<sup>12</sup> These hats would last for several years. They usually sold

<sup>10</sup> *Ibid.*

<sup>11</sup> Narrative of Mr. W. H. Miller who yet lives in Cleveland County.

<sup>12</sup> *Ibid.*



for \$3.00. The following statistics show just how much manufacturing was done in 1860. There were in all thirty-five establishments; capital invested, \$126,934; cost of material, \$38,780; number of employees, 96; amount paid for wages, \$16,944, and the value of the products, \$97,380.<sup>13</sup> According to the above the manufacturing industries must have been very small and run on a very small scale.

Notwithstanding the fact that there were no large slave owners or immense manufacturing establishments, the majority of the farmers in the county were good liver. There were scattered here and there a few who were exceedingly prosperous. Here is a glimpse of one of these wealthy homes. Crowning a hill that over-shadows Buffalo Creek, whose waters were used in the manufacture of iron, there were two large two-story buildings, each containing only two rooms in each story, but these rooms were of immense size. For doorsteps there were massive hewn rocks. At the huge fireplace were iron hearths with cast iron backs. Here presided abundant hospitality and the owner made big money manufacturing iron. He possessed six of the finest mules in the county, which, with bells on their harness, attracted the attention and admiration of all who saw them.<sup>14</sup> The above is a specimen of the home of a prosperous southern gentleman before the war. The above mentioned dwelling house is still standing in good condition, and has been standing for over a century.

## II. THE WAR PERIOD

In 1861 the call came to the farmers in Cleveland to leave their homes and support the cause of secession. The call was answered in May, 1861, when Miss Zulia Durham, now Mrs. Green, who yet lives in Shelby, presented the flag to one hundred gallant soldiers under the leadership of A. W. Burton.<sup>15</sup> Miss Durham, who was then only fifteen years old, together with a few other ladies of the town, made the flag one night and Miss Durham presented it next morning to the company with the following words:

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<sup>13</sup> Census of 1860.

<sup>14</sup> Narrative of Mr. W. H. Miller.

<sup>15</sup> Narrative of Mrs. Zulia Green.

*"To the Cleveland Guards:*

We, in the name of the ladies of Shelby, present you this flag. It is to assure you of the deep interest we feel in this coming crisis. Regardless of northern scoffing and southern terrorism you have at last faced your destiny and may the gods of battle assist you to maintain the honor of the Old North State and defend those rights maintained by our forefathers on the 20th of May 1775—We have adopted the flag of the Confederate States, whose interests are inseparable from our own, and for the purpose of expressing our heartfelt sympathy for, and co-operation with our noble brothers of the Sunny South—Those hands shall unfurl this banner to the breezes and it will never be lowered at the command of the hired minions of old Lincoln. Our cause is just and God will be with us. May you who have sacrificed your greatest interests to come forward and seek eagerly to defend your country at every hazard return back to your fond homes and kindred uninjured. We bid you God's speed."<sup>16</sup>

A week later, May 27, 1861, ninety-six mountain boys of Cleveland led by Captain W. S. Corbet<sup>17</sup> marched off to war. On the flag of Corbet's company was the picture of a pine tree with a rattle snake coiled around it. The motto of the company was, "If you step on me I will bite you."<sup>18</sup> The patriotic gentlemen of Cleveland volunteered freely and rapidly to fight for the cause of secession. It is claimed that more men went from Cleveland in proportion to the voting population than from any other county in the State.<sup>19</sup> On one occasion the patriotic men of the county in order to show their loyalty to the South secured an old cannon that was used in the battle of Cowpens, South Carolina, during the Revolutionary War, brought it to Shelby and fired it all night, burning up three kegs of powder. They fired first in honor of the states that joined the Confederacy, second in honor of the State of North Carolina, and lastly in honor of secession. The last shot was loaded so heavy that it burst the old canon and jarred every window-light out of the Court House.<sup>20</sup> On the next day there was a big barbecue in Shelby and speeches on secession. By the latter part of 1861 the county

<sup>16</sup> Taken from the original manuscript which is still in the possession of Mrs. Zulia Green, who yet lives in Shelby.

<sup>17</sup> Mr. Corbet was captain of Company B in the 49th regiment. (See Clarke's *Regimental History*.)

<sup>18</sup> Narrative of Mrs. T. G. Borders.

<sup>19</sup> There were in all 2,800, while the voting population was only 1,800, according to the statement of Captain S. A. Hoey, of Company H, 34th Regiment.

<sup>20</sup> Narrative of Mr. Samuel Randall, a Confederate soldier, who yet lives in the southern part of the County.

was drained of its men; many of the scattered schools were deserted, and the farms and manufacturing establishments were left for the old men, women and children to manage and operate.

There were a few Union men in the county who opposed secession from the very beginning of the war. These men together with W. W. Holden through the *Standard* attempted to start a movement for peace in 1863. But Cleveland's soldiers were too firm in their convictions and too set in their course to return home with anything less than a victory or a defeat. The following letter written for the paper published in Shelby at that time shows how the Cleveland soldiers viewed the peace agitation of 1863:<sup>21</sup>

*"For the Mountain Eagle :<sup>21</sup>*

MR. EDITOR :

I send you the following extracts of a letter from a private in Company E, 'Cleveland Guards' for the purpose of showing the public that Mr. W. W. Holden of the Raleigh *Standard* is mistaken in supposing that certain officers only are opposed to his course. The gentleman will find to his cost that not only officers, but the rank and file are opposed to his Toryism and will be ready at all times to spurn and treat with the utmost contempt and to scorn his base and perfidious tinc kling to the Yankees."<sup>22</sup>

ORANGE COURT HOUSE,  
AUGUST 13, 1863.

DEAR FATHER :

Mr. ——— has just arrived in camp from Cleveland and brings us the news that General ——— is riding over Rutherford County making Union speeches, and that a Union Reconstruction flag has been run up at the Court House and that several other counties are following suit. This, if true, is the result of the teaching of the *Standard*. But is it true? Surely the people at home do not think that the soldiery is disheartened by the late reverses. I tell you my father, the soldiers are more determined now than ever that the independence of the South shall be secured at all hazards. How would it look after suffering so many hardships in camp and engaging in so many hard-fought battles, and nearly all of which we have been victorious, just as the day star is beginning to rise to cowardly back down and give up to be subjugated thereby taking upon our neck the yoke of old Abe's despotism? Oh, it would be such a burning shame!

<sup>21</sup> This was a democratic paper which favored secession, and was published in Shelby during the Civil War.

<sup>22</sup> The foregoing letter is only a sample of the feeling existing in the army from Cleveland towards the Reconstruction movement.

I say as a soldier that any man at home or anywhere else that is found exerting an influence against the cause we all should have so much at heart should not only be dressed in petticoats, as suggested by some, but shot down as a dog. If the people at home were as determined for independence as the soldiers in the field and just quit for a while their speculations and exhortations, and lend a helping hand to those, and the families of those who now stand between them and the enemy, we have peace much sooner.

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### III. SOCIAL AND ECONOMIC CONDITIONS DURING RECONSTRUCTION

But finally on April 9, 1865, Cleveland's soldiers were forced to give up their hopes for victory and accept a defeat. They returned to their dilapidated homes with the fixed purpose of rebuilding their County, but what a task lay before them! The farmers who were once wealthy and lived in style and extravagance for their day, were in poverty. The emancipation of their slaves and the depreciation of their money had deprived them of thousands of dollars and left them in distress.

One of the most disturbing elements in the county was the Union Soldiers. Immediately after the war about one hundred and fifty soldiers came to Shelby, the county seat, and took possession of the Court House and Court Square. They burned many of the Court records and fed their horses on the Court Square. In evening they sang songs which were very vexing to the old Confederate soldiers. They also attempted to control the county elections and to appoint many of the county officers.<sup>23</sup> They were in the county as late as 1872. In that year they succeeded in breaking up the annual meeting of the Kings Mountain Baptist Association, which was holding its session at Bethlehem Church.<sup>24</sup>

The negroes too began to cause much trouble. For the first year or two after the war they were pretty quiet. They were willing to work at almost any price, but they soon grew saucy and boasted exultantly that the bottom was raised

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<sup>23</sup> Conversation with Mrs. Zulia Green and others.

<sup>24</sup> John R. Logan's *History of Kings Mountain and Broad River Baptist Association*, p. 217.

on top.<sup>25</sup> They also began to claim social equality. Some went so far as to say that they intended to marry white girls. They also organized their militia and their secret leagues, which I shall describe shortly.

But the greatest problem that confronted the people of Cleveland in 1865 was restoring the economic life of the county. When the farmers returned home from the war they found their fences torn down and their houses dilapidated. Their land was becoming dotted with gullies and their labor was demoralized. The fifty-seven water wheels which were converting the water of the streams into power in 1860 were in the majority of cases now standing idle and many of the dams bursted.<sup>26</sup> But the farmers were not overcome by discouragement. They went to work, although progress was indeed slow. The cash value of all farms in 1870 was only \$686,785 as compared with \$1,310,613 in 1860. But by 1880 the valuation had reached \$2,444,056, or an increase of a million dollars over 1860. The value of the farm implements in 1870 was not more than two-thirds as much as in 1860. The value of live stock had decreased over one million dollars. In 1860 the value of all live stock in the county was \$397,837 while in 1870 the value was only \$254,297 and in 1880, \$248,777. Also there was a great reduction in some of the agricultural products. In 1870 there were only 415 pounds of tobacco raised, while in 1860 there were 24,317 produced. This was due to the fact that the farmers began to turn to raising cotton after the war. In 1870 there were 236,252 bushels of corn raised, while in 1860, 379,985 bushels had been produced—a decrease of over one hundred thousand bushels. But by 1880 the number of bushels had increased to 390,281. Cotton in 1870 had increased a little over 1860. In 1860 there were 476 bales ginned while in 1870, 520 bales were produced, and in 1880, 6,126. This increase must have been due to the fact that the negroes began to rent land and farm it themselves, cotton being their favorite crop. Many other products were small in comparison to 1860.<sup>27</sup> The size of the farms remained about the same after

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<sup>25</sup> Conversations with many old citizens of Cleveland.

<sup>26</sup> Narrative of old citizens.

<sup>27</sup> Census 1860, 1870, 1880. (Agriculture.)

the war as before.<sup>28</sup> There were no exceedingly large land owners. There were only two men in the county who possessed over five hundred acres. In all there were only two thousand and two hundred and sixty-one farms and the great majority of these ranged from fifty acres to five hundred.<sup>29</sup>

Progress in manufacturing was more rapid than that in farming. In 1870 there were 84 establishments, which included grist mills, cotton gins, sawmills, etc., while in 1860 there were only 33. The capitalization of these establishments was \$124,900; the number of employees was 199, while in 1860 there were only 96; the amount paid for wages was \$25,627, in 1860 only \$16,944, or an average wage of \$10 per month; the value of the products turned out was \$292,126 or an increase over 1860 of more than \$200,000.<sup>30</sup> Among some of the largest establishments was the paper and iron factory owned by David Froenberger & Company. This establishment was located near Buffalo Creek. It was capitalized at \$30,000 and produced \$50,000 worth of products in 1870. There were 19 hands employed at an average wage of \$25 per month. Among the other establishments was the cotton and yarn factory located at Double Shoals. It was owned by N. A. Jackson & Company and capitalized at \$20,000. There were 22 employees in this mill, whose wages averaged \$8 per month. The value of the products turned out in 1870 was \$20,400. The remainder of the establishments were small concerns, such as boot and shoe makers, saddlers, harness makers, and all kinds of mechanics—there being in all 18 different mechanical shops, such as silver-smiths, gun-smiths, wheel-wrights, etc. It seems to have been characteristic of Cleveland people for many men to have some small trades of their own.

The valuation of real property in 1870 was only \$865,962, while in 1860 it was \$1,591,337 or a decrease of \$735,375. But by 1880 real property was valued at \$1,001,895. There was a still greater loss in personal property. In 1860 the total valuation of personal property was \$2,488,459, while in 1870 it was only \$554,484. This was due largely to the abolition

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<sup>28</sup> *Ibid.*

<sup>29</sup> Census 1870.

<sup>30</sup> *Ibid* 1860, 1870, 1880.



of slavery. The total taxation for 1870 was only \$17,659. Although the economic condition of the county looked poor in 1870, yet the county by 1880 had almost reached the point where it stood in 1860.

#### IV. EDUCATIONAL RECONSTRUCTION

The schools suffered the same fate that the other organizations of the county did. In 1860 there were as many as 2,537 children enrolled in the public schools of the county. However, this did not include all of the children in the county between the ages of 6 and 21. In fact, there were more than half as many children not going to school as there were in attendance.<sup>81</sup> The total amount expended upon the public schools for 1860 was \$3,750.06.<sup>82</sup> Most of the schools during the war were deserted, but a few, however, were kept open by some patriotic ministers who were willing to teach for almost nothing. I might mention one typical school which was not closed during the war. It was situated in the Sharon settlement in the southern part of the county. It was a log house daubed with mud and was the only school house in a radius of about six miles. A log was taken out for a window and slabs were used for writing desks and seats. The only book that was used was the "Blueback Speller." Reverend Smith, who yet lives in that community, was the teacher for twenty years. The salary paid to Mr. Smith averaged about \$12 per month.<sup>83</sup> The most that was done in the county for education during reconstruction was done through individual effort on the part of the teachers as in the above mentioned instance. The county as a whole took but little interest in public schools. The illiteracy statistics for 1870 show the effect of this neglect on the part of the county towards education. In 1870 the total number of children attending schools was only 1,100; 1,036 of these were white and the remainder colored. In 1860 there were 2,537 in school attendance. In 1870 the total number who could not write was 4,029; 2,940 of these were white children and 1,089 colored. In other words, about 30

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<sup>81</sup> Report of J. R. Logan, chairman of County Board of Education, to the State Superintendent, Public Documents of N. C., 1860.

<sup>82</sup> *Ibid.*

<sup>83</sup> Conversation with Reverend Mr. L. L. Smith.

per cent of the white population and 50 per cent of the negroes were completely ignorant.<sup>34</sup>

Before leaving the discussion of the schools it might be well to mention the attitude of the people of Cleveland towards the issue of mixed schools in the Constitutional Convention of 1868. The county of Cleveland was bitterly opposed to such a possibility. The attitude of the county was expressed by Plato Durham, member of the Convention from Cleveland. The Committee on Education having made its report, Mr. Durham offered an additional section to the report as follows:

"The General Assembly shall provide separate and distinct schools for the black children of the State from those provided for the white children." This amendment brought forth a warm discussion. Mr. Ashley, the chairman of the Committee, immediately offered the following amendment: "It being understood that this section is not offered in sincerity, or because there is necessity for it, that it is proposed for the sole purpose of breeding prejudice and bringing about a political re-enslavement of the colored race." There being only thirteen Conservatives in the Convention, Mr. Durham's amendment was voted down by a vote of 86 to 11.<sup>35</sup> We can naturally infer that the people in Cleveland would oppose any scheme to establish mixed schools from the position taken towards slavery and secession and the activity of the Ku Klux Klan.

## V. CHURCHES DURING RECONSTRUCTION

The Civil War had a marked influence upon the history of the churches in the county. Before 1860 both the Baptists and the Methodists were devoting much effort to missionary work and to education and Sabbath schools.<sup>36</sup> But naturally the movement for missions and education received a severe check by the war between the States—a check which it took several years to overcome. But the most important effect upon the churches was the separation of the negroes from the white churches. Before and during the war the negro had no church of his own, but worshipped with the white people,—

<sup>34</sup> Census of 1870.

<sup>35</sup> Convention Journal, p. 342.

<sup>36</sup> See Report of Kings Mountain Baptist Association—J. R. Logan.

special seats being arranged for him. In 1861 there were in the Methodist Churches alone as many as 200 colored members and 18 who were on probation.<sup>37</sup> By 1864 the number had increased to 237. But as soon as the war was over a separation of the races began to take place in all denominations. The first question to come before the Broad River Baptist Association in 1865 was "what to do with the negro."<sup>38</sup> A committee was appointed to decide whether to let him continue to worship with the white people or to help build churches for him. The committee decided that no arbitrary arrangement could be made, but if the negroes wished to continue to worship with the white people they could do so; if they did not wish this, it was the duty of the church to help to build churches for them. The negroes gradually left the white churches and assembled to themselves. By 1872 the two races were entirely separated in their worship. Statistics taken from the Minutes of the Methodist Conference show the gradual decline of negro members from 1865 to 1872. In 1864 there were 113; in 1866, 70; in 1867, 10; in 1868, 6; and by 1872 none.<sup>39</sup>

Although the war had checked progress in the churches, in mission work, schools, etc., yet the membership of the churches did not suffer. In fact the membership of the churches increased more rapidly during the war than in any period just previous to it. The war seemed to serve as an impetus to get people to join the churches. It is impossible to give the exact increase in the Baptist Churches, but the Minutes of the Methodist Conference show a marked increase in membership from 1860 to 1870. In 1860 there were only 614 members in all the Methodist Churches in the county and 35 on probation. In 1861 the enrollment leaped up to 780 and to 74 on probation; in 1862 to 827 with 102 on probation; in 1864 to 993 and in 1865 to 950. In 1866 the number ran up to 1135 but by 1872 the enrollment had dropped back to 965.<sup>40</sup> This increase in membership was the result of the religious wave that swept over the entire South during the war.

The number of churches in the county during the decades

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<sup>37</sup> Probation became obsolete during the war.

<sup>38</sup> John R. Logan's History of Broad River Baptist Association, p. 112.

<sup>39</sup> Minutes of South Carolina Methodist Conference.

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of 1860-70 was 37,—one Presbyterian, 15 Methodist, and 21 Baptist. The Presbyterian church was located at Shelby with Rev. M. N. Shotwell, pastor. The names of the Methodist churches were Shelby, Mount Harmony, Clover Hill, Friendship, Elliott, Rehoboth, Palm Tree, Double Shoals, Elbethel, Sherrill, Salem, Mount Tabor, Sulphur Springs, Mount Moriah, and Kistlers. Reverend J. W. Hulbert was pastor of the first thirteen and James Deems of the latter two. The names of the Baptist Churches together with their pastors were as follows: Rev. Shelby Barnett was the pastor of Sandy Plains and Shelby; Thomas Dixon of Double Springs, Mount Perran, and New Prospects; J. S. Ezell of Sandy Run, Boiling Springs, Zoar, Mount Pleasants, and Beaver Dam; Robert Poston of Zion and Mount Bethel; R. P. Logan of Pleasant Hill; P. R. Love of Bethel; L. H. McSwain of Mount Sinai; M. N. McSwain of Walls; Pond B. Bonner of Camp Creek; Walter Hill of Capernaum; Elmer Curry of Mount Zion; and E. A. Poe of Mount Zion.<sup>41</sup> These preachers were paid very small salaries and they had to look to their farms and some to the teaching profession for their support. In most of the churches there was no Sunday School and in those that had Sunday School the "Blueback Spelling Book" was used in several places. The valuation of all church property was only \$15,000. This shows that the church buildings must have been small and cheap.

## VI. COUNTY GOVERNMENT

The old system of county government was not abolished at the close of the war but continued in vogue until the constitution of 1868 was put into force. This county government centered around the Court of Pleas and Quarter Sessions. This little court was the nucleus around which the whole county was organized. It was an oligarchy within itself. The justices who composed it were appointed by the Governor, in turn appointed the county officers, tried civil and criminal cases, looked after the public schools, and made internal improvements. In fact, it did what our County Commissioners do today, besides its appointive and judicial function. In other

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<sup>41</sup> Branson's *Business Directory* for 1868.

words, in order to have a voice in the government of the county one had to be a member of this court. But in 1868, as I have stated above, this court was abolished and the County Commissioners and magistrates for the different townships took its place.

At the close of the war the justices who composed this court were turned out of office and provisional Governor Holden on July 5, 1865 appointed the following men justices: John Starnes, B. Goforth, Eli Lutz, Lewis Gardner, A. B. Blanton, W. P. Rove, F. S. Hoke, James Roberts, James M. Ware, W. W. Green, Andrew Parker, E. A. Bryan, John F. Aydlotte, Jefferson Black, Rufus W. Quinn, David Beam, R. Swann, Washington Harry, J. A. Bumgardner, J. R. Ellis, J. Z. Falls, and Peter Peeler.<sup>42</sup> These men were not satisfactory to the people of Cleveland. It was claimed that they were not loyal citizens. So on July 14, 1865, 98 citizens of Cleveland signed a petition for the removal of all the disloyal men appointed by the Provisional Government. The following is the petition:

COUNTY OF CLEVELAND

STATE OF NORTH CAROLINA, July 14, 1865.

*His Excellency W. W. Holden,  
Provisional Governor of the  
State of North Carolina:*

Believing it the desire of your Excellency to act in accordance with the proclamation of the President of the United States; we the loyal citizens of the County of Cleveland do petition your Excellency to remove from office those disloyal men whom you have appointed through misrepresentation and to appoint loyal men in their stead. The names and principles of which will be presented to you by our delegate B. Willis, in whom we have full confidence and whom we send to you as our representative to confer with you in our behalf in regard to this matter.<sup>43</sup>

The above petition had the desired effect for on July 19, Governor Holden wrote a letter to R. Swann stating that several of his former appointees had proved disloyal; that their acts would be considered null and void and that he wished to appoint the following new men: James Jolly, Samuel Young, Newberry Pruitt, William B. McNeely, B. A.

<sup>42</sup> Mss. Letter Book of Governor Holden, July 5, 1865.

<sup>43</sup> Letter book of Governor Holden of 1865. (98 citizens of Cleveland signed the petition.)

Hogue, J. R. Willis, Durham Hicks, Glen Borders, Noah Moss, Isaac Bridgers, James McKinney, William McCall, John W. Logan, A. B. Grigg, James McNeely, Banister Willis, and Threat Brigg. In addition to these officers Martin C. Roberts was appointed provisional sheriff and Silas Williams clerk of the court. Governor Holden also appointed officers for the town of Shelby. W. H. Fullenwider was appointed mayor and M. C. Roberts commissioner. With but a few exceptions all of these officers were re-appointed by Governor Worth in 1866.<sup>44</sup> In 1868 the members of the court lost their offices, since it was abolished and the following men were elected to serve as commissioners: J. R. Logan, David Whisenant, Joseph Latimore, George Green, and Isaac R. Oats.<sup>45</sup> All of these men were under disabilities except Mr. Oats. None of them bore arms through the war, for during that period Mr. Logan was a member of the legislature, Mr. Whisenant was a justice of the peace, Green was sheriff of the County, and Latimore was a Confederate Assessor. The other officers elected in 1868 were J. Z. Falls, sheriff, Jessie Jenkins, clerk of the court, E. H. Fullenwider, treasurer, Elisha McBrayer, coroner, and C. Carpenter, register. All of these officers also had disabilities to be removed before they could serve. The above election clearly shows that the Conservative Party was in power and was running the government of the County, for all of the officers above mentioned were members of that party. They were not running the county government in accordance with the Republican Party's plan, though. Governor Holden would not recognize many things they did, so on June 29, 1869 the citizens of Shelby and County had a meeting in the Court House for the purpose of petitioning Governor Holden to appoint a town council for Shelby and to appoint magistrates for the county and to organize the county according to his plan. Mr. H. Caviness stated at this meeting that under the existing state of affairs the wheels of government were at a dead lock; letters of administration could not be granted, overseers of roads could not be appointed, orphan children had to go without guardians,

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<sup>44</sup> Mss. Letter book of Governor Worth for 1867.

<sup>45</sup> It will be noticed that there were five commissioners elected while today there are only three.



etc.,<sup>46</sup> After this meeting the county government was re-organized and administration of county affairs began anew. The conservatives were compelled at this time, although they were in the majority, to submit to the plans of the Republican party.

## VII. SECRET ORGANIZATIONS

The secret organizations entered Cleveland shortly after the war closed. These societies had a greater influence probably upon the county's history during Reconstruction than any other one thing. The Ku Klux Klan, which is often looked upon as being unnecessary and exerting a detrimental influence upon the county, really had a great mission and a noble purpose and truly did a great work at first. It must be admitted, though, that the Klan finally became too violent in its methods and too corrupt and disgraceful in its procedure. Therefore it is a question today as to whether its influence for good was greater than for evil. The membership of the Klan was about 800. There were several dens in the county but the most prominent ones were at Shelby and another in the upper part of the county, and an eastern section. Some of the very best citizens and officers of these dens. The Grand Chief was Plato Durham, a prominent lawyer and state legislator. The Cyclops of the Klan was Mr. Lee. He was Mr. Durham's law partner and a prominent figure in 1870 and a very influential man.

The other secret organizations were the Red Strings.<sup>47</sup> These organizations were organized shortly after the war closed. The membership was about 200. This organization proposed the election of Republicans to the republican party. It was very influential but was in most cases opposed to the Ku Klux Klan.<sup>48</sup>

Let us now see if we can find out the introduction of the

<sup>46</sup> Letter book of Governor B.

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first place some of the officers in the county were corrupt, unfair, and incompetent. This made it impossible for the people to get justice,—hence a turn to lawless force for justice. The most prominent example was George W. Logan, judge of the Ninth Judicial District. Mr. Logan was a “turncoat” Republican. He had been a member of the Confederate Congress during the war. He had also been a prominent man in Rutherford County and possessed some property. He was clerk of the court of Rutherford shortly after he was 21 years old, and afterwards engaged in the practice of law. He was also a man of good family. His ancestors were among the first and best families that settled in the County. But as many others have done, he became an office-seeker at the close of the war and turned over to the Republican party. He was elected as Superior Court Judge in 1868 by that party and it is claimed that he became very partisan and incompetent in his official duties as a judge. The criminal laws, it seems, were not enforced by him. Many of the negroes who committed crimes went unpunished. The sentences on the negroes that he did punish were light, while the punishment of the Democrats was heavy. In fact he became so partisan that all of the lawyers of the Ninth Judicial District signed a petition at a meeting in Charlotte for his removal.<sup>49</sup> For an illustration of Logan’s partiality, I mention the case of Wade Price. Wade Price, a colored man, was found guilty of selling whiskey without license. Price was freed by Logan. A few days later a one-legged Confederate soldier was found guilty of the same charge. Judge Logan at this time attempted to impose a \$25 fine but was overruled by Plato Durham, who pointed out his inconsis-

Second place, the general plan of reconstruction was not wanted by the people of Cleveland. The Scotch-Irish and German stock of people in Cleveland were opposed to granting the negro the right of suffrage. They were strong believers in slavery and in ruling and governing without the help of the negro. When the negro was given his freedom they yielded to that extent, but they

<sup>49</sup> Committee to Investigate Affairs in the Late Insurrectionary Region, 42nd Congress., volume for North Carolina, p. 370.

could not go further and give to him more rights and privileges than many of the white men possessed. The attitude of Cleveland people on negro suffrage was well shown by Pless Durham in the Convention of 1868. Mr. Durham was on the suffrage committee and wrote the minority report.<sup>81</sup> He asserted that the negro was not worthy of the ballot and that it was not a constitutional duty to give it to him. His report lost 75 to 27. Naturally the people of Cleveland, since they bitterly opposed granting the negro the ballot, would seek to intimidate him in order to keep him from using it. No better method could have been found for such intimidation than the Ku Klux Klan. The Convention of '68 also gave to all the citizens the right to organize militia and it seems that the negroes in Cleveland were using this privilege. The negroes met for drill in at least three places in the county and this caused much excitement and trouble. So the Ku Klux Klan was resorted to in order to protect the white people from the negro militia. And above all there was a political reason. The Democrats wished to destroy the power of the Republicans and they fell upon the method of the Ku Klux to do it. By means of the secret organization they could intimidate the negro Republicans and keep them from the polls, and could thus destroy the alliance of the negroes with the Republican party. So partial courts, bad government, inefficient officials, together with a political desire to defeat the Republican party, were responsible for the Ku Klux Klan in Cleveland County.

By 1869 the Ku Klux Klan was strongly organized with a membership of the very best citizens of the county. The following is a description of the Klan and the impression which it left upon the mind of one of Cleveland's brilliant men:

"The most vivid picture that comes back to me from my childhood was the passing of the Klan through the silent streets of my native village on a beautiful moonlit night in 1869. I can yet feel the chill of the pine floor on my little bare feet as I leaped from the trundle bed, rushed to the window and watched the long line of white-robed horsemen ride by in perfect cavalry form. Their Night Hawk blew his whis-

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'Of course not, silly—they're our people—they are guarding us from harm.'"<sup>52</sup>

The Klan claimed that it had for its principle object the protection of the Constitution of the United States and of the State of North Carolina; protection of each other; the protection of the women and children, and to vote the democratic ticket. The following is the oath which members had to take when they were initiated:

"I, \_\_\_\_\_, before the great immaculate judge of Heaven and earth, and upon the holy evangelist of Almighty God, do, of my own free will and accord subscribe to the following sacred binding obligations:

1. I am on the side of justice and humanity and constitutional liberty, as bequeathed to us by our forefathers in its original purity.
2. I reject and oppose the principles of the Radical Party.
3. I pledge aid to the brother of the Ku Klux Klan in sickness, distress or pecuniary embarrassment. Females, friends, widows, and their household shall be the special object of my care and protection.
4. Should I ever divulge or cause to be divulged any of the secrets of this order or any of the foregoing obligations, I must meet with the fearful punishment of death, death, death at the hands of the brethren."<sup>53</sup>

The Klan had several signs—one was to put the right hand over the right ear, and if you were a member you would put your left hand over your left ear; another was to put your hand, all except your thumb into your pocket. If a member were in distress he was to say "Avalanche."<sup>54</sup>

The Klan did more whipping than killing in Cleveland. One noted case was that of Martin Hawkins and wife. Mr. Hawkins was a creditable man but a strong Republican who lived near the Rutherford County line. About thirty or forty members went to his home one night disguised. They stripped him and beat him severely. They cut and bruised his skin.

<sup>52</sup> *Bookman*; January 1914. (Article by Thomas Dixon, Jr.)

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<sup>54</sup> *Ibid.* (See pages 414, 415, for the Constitution and By-laws of the Klan.)

and lacerated his body. They dragged his wife down stairs and crippled her. Mr. McGahey, a friendly Republican of Hawkins, knew who one of the members was, namely, Decatur Depriest. McGahey upon seeing him shot him, causing instant death and then fled from the county.<sup>55</sup> But the most famous whipping and trial was that of Aaron V. Biggerstaff. Mr. Biggerstaff was a prominent Republican who lived just across the line in Rutherford County. He was a man of some property and was a good farmer and belonged to the Union League and Redstrings. The greatest fault with him, it seems, was that he was too talkative. He would tell Judge Logan everything he could hear about the Democrats. His first whipping took place in Rutherford County, and he was later whipped in Cleveland while on his way to trial. At the first whipping he was dragged out of his house one night into the big road where he was badly bruised. The road and yard were full of men and horses which made a very exciting scene. The members of his family were also beaten.<sup>56</sup>

General Joseph G. Hester, with about nine federal troopers, arrested thirty of the disguised persons who made the raid on Mr. Biggerstaff and family.<sup>57</sup> He brought them to Shelby and turned them over to the United States Commissioner, J. S. Moore, who resided at Shelby. He then sent for Biggerstaff to come in order to serve as a witness. Mr. Biggerstaff and family started, they traveled until about ten o'clock at night and finally came to a little house on the side of the road where they decided to camp. All went into the house except the elder Mr. Biggerstaff, who was too sore to get out of the wagon. At about ten-thirty o'clock they were attacked again by the Ku Klux. Mr. Biggerstaff was taken out of the wagon and carried off into the woods where he was kept for some time. The nephew of Aaron hid under the house. Mrs. Biggerstaff had gone into the house as soon as they stopped there that night, but Mrs. Norbill was expecting a raid and they went to the woods, thereby escaping the Klan. Finally the Klan got the Biggerstaff family together and just as they raised their guns

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<sup>55</sup> Report of Committee to Investigate Affairs in Late Insurrectionary States, 2nd Session 42nd Congress, p. 107 (volume for N. C.)

<sup>56</sup> *Ibid.*, pp. 112, 113, 114, 172.

<sup>57</sup> The Secretary of War states that no definite report has been made of the federal troops stationed in Cleveland.

to shoot them their horses made a noise causing their gunmen to turn their heads and then young Biggerstaff ran. They shot towards him, but he escaped. The Klan then let the rest of the family off on the condition that they would not testify against them. After this the Biggerstaff family returned home and stayed there. The Commissioner, Mr. J. S. Moore of Shelby, sent a subpoena for them to come to court, but they refused. They claimed that they were afraid that they would be murdered.<sup>58</sup>

Judge George W. Logan on seeing the Klan in control, wrote a letter to Governor Todd R. Caldwell asking for military aid. Logan stated that he could not hold court at Shelby since his life was in danger there. He further stated that civil authority could not at all be maintained and that the county must have protection or else many must flee.<sup>59</sup>

Governor Caldwell on realizing the critical conditions in Cleveland wrote to President Grant asking for federal troops. Governor Caldwell in his letter to the President stated that the Ku Klux Klan was committing crimes in Cleveland and that it could not be punished by the civil authorities. He further stated that it was useless to call out the State Militia since part of it was composed of Ku Klux members.<sup>60</sup> Shortly after the President received this letter federal troops were sent to Cleveland and Rutherford counties.

The members of the Ku Klux Klan who whipped Mr. Biggerstaff were soon arrested by the federal officers and were carried to Raleigh where they were placed in jail. The following is an article which appeared in the Raleigh *Sentinel* on June 24, 1871, concerning them:

"Despotism—On Thursday 39 citizens among them some of the most respectable citizens of Cleveland and Rutherford Counties were committed to jail here for the want of bail for the sum of \$2,000 each for an assault and battery upon one Aaron Biggerstaff."

The citizens did not remain long in prison for the people of Cleveland were loyal to them. The following from the *Sentinel* of July 1, 1871, tells of their relief:

<sup>58</sup> Report of Committee to Investigate Affairs in Late Insurrectionary States, 2nd Session, 42nd Congress p. 172. Volume for North Carolina.)

<sup>59</sup> Governor Caldwell's Mss. Letter book, April 9, 1871.

<sup>60</sup> *Ibid.* April 29, 1871.

etc.,<sup>46</sup> After this meeting the county government was re-organized and administration of county affairs began anew. The conservatives were compelled at this time, although they were in the majority, to submit to the plans of the Republican party.

#### VII. SECRET ORGANIZATIONS

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The other secret organizations were the Union League and Red Strings.<sup>47</sup> These were merged shortly after the war closed. The membership of the former organization was about 200. This organization was Republican and had for its purpose the election of Republican candidates and to strengthen the republican party. It endeavored to secure the negro votes but was in most cases disappointed by the intimidation of the Ku Klux Klan.<sup>48</sup>

Let us now see if we can find the real cause or causes of the introduction of the Ku Klux Klan into the county. In the

<sup>46</sup> Letter book of Governor Holden, June 29, 1869.

<sup>47</sup> Conversation with Mr. McDuff Davis.

<sup>48</sup> Union League was a northern organization while the Red Strings was local.

first place some of the officers in the county were corrupt, unfair, and incompetent. This made it impossible for the people to get justice,—hence a turn to lawless force for justice. The most prominent example was George W. Logan, judge of the Ninth Judicial District. Mr. Logan was a “turncoat” Republican. He had been a member of the Confederate Congress during the war. He had also been a prominent man in Rutherford County and possessed some property. He was clerk of the court of Rutherford shortly after he was 21 years old, and afterwards engaged in the practice of law. He was also a man of good family. His ancestors were among the first and best families that settled in the County. But as many others have done, he became an office-seeker at the close of the war and turned over to the Republican party. He was elected as Superior Court Judge in 1868 by that party and it is claimed that he became very partisan and incompetent in his official duties as a judge. The criminal laws, it seems, were not enforced by him. Many of the negroes who committed crimes went unpunished. The sentences on the negroes that he did punish were light, while the punishment of the Democrats was heavy. In fact he became so partisan that all of the lawyers of the Ninth Judicial District signed a petition at a meeting in Charlotte for his removal.<sup>49</sup> For an illustration of Logan’s partiality, I mention the case of Wade Price. Wade Price, a colored man, was found guilty of selling whiskey without license. Price was set free by Logan. A few days later a one-legged Confederate soldier was found guilty of the same charge. Judge Logan at this time attempted to impose a \$25 fine but was kept from it by Plato Durham, who pointed out his inconsistency.<sup>50</sup>

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<sup>54</sup> *Ibid.* (See pages 414, 415, for the Constitution and By-laws of the Klan.)

and lacerated his body. They dragged his wife down stairs and crippled her. Mr. McGahey, a friendly Republican of Hawkins, knew who one of the members was, namely, Decatur Depriest. McGahey upon seeing him shot him, causing instant death and then fled from the county.<sup>55</sup> But the most famous whipping and trial was that of Aaron V. Biggerstaff. Mr. Biggerstaff was a prominent Republican who lived just across the line in Rutherford County. He was a man of some property and was a good farmer and belonged to the Union League and Redstrings. The greatest fault with him, it seems, was that he was too talkative. He would tell Judge Logan everything he could hear about the Democrats. His first whipping took place in Rutherford County, and he was later whipped in Cleveland while on his way to trial. At the first whipping he was dragged out of his house one night into the big road where he was badly bruised. The road and yard were full of men and horses which made a very exciting scene. The members of his family were also beaten.<sup>56</sup>

General Joseph G. Hester, with about nine federal troopers, arrested thirty of the disguised persons who made the raid on Mr. Biggerstaff and family.<sup>57</sup> He brought them to Shelby and turned them over to the United States Commissioner, J. S. Moore, who resided at Shelby. He then sent for Biggerstaff to come in order to serve as a witness. Mr. Biggerstaff and family started, they traveled until about ten o'clock at night and finally came to a little house on the side of the road where they decided to camp. All went into the house except the elder Mr. Biggerstaff, who was too sore to get out of the wagon. At about ten-thirty o'clock they were attacked again by the Ku Klux. Mr. Biggerstaff was taken out of the wagon and carried off into the woods where he was kept for some time. The nephew of Aaron hid under the house. Mrs. Biggerstaff had gone into the house as soon as they stopped there that night, but Mrs. Norbill was expecting a raid and they went to the woods, thereby escaping the Klan. Finally the Klan got the Biggerstaff family together and just as they raised their guns

<sup>55</sup> Report of Committee to Investigate Affairs in Late Insurrectionary States, 2nd Session 42nd Congress, p. 107 (volume for N. C.)

<sup>56</sup> *Ibid.*, pp. 112, 113, 114, 172.

<sup>57</sup> The Secretary of War states that no definite report has been made of the federal troops stationed in Cleveland.

to shoot them their horses made a noise causing their gunmen to turn their heads and then young Biggerstaff ran. They shot towards him, but he escaped. The Klan then let the rest of the family off on the condition that they would not testify against them. After this the Biggerstaff family returned home and stayed there. The Commissioner, Mr. J. S. Moore of Shelby, sent a subpoena for them to come to court, but they refused. They claimed that they were afraid that they would be murdered.<sup>58</sup>

Judge George W. Logan on seeing the Klan in control, wrote a letter to Governor Todd R. Caldwell asking for military aid. Logan stated that he could not hold court at Shelby since his life was in danger there. He further stated that civil authority could not at all be maintained and that the county must have protection or else many must flee.<sup>59</sup>

Governor Caldwell on realizing the critical conditions in Cleveland wrote to President Grant asking for federal troops. Governor Caldwell in his letter to the President stated that the Ku Klux Klan was committing crimes in Cleveland and that it could not be punished by the civil authorities. He further stated that it was useless to call out the State Militia since part of it was composed of Ku Klux members.<sup>60</sup> Shortly after the President received this letter federal troops were sent to Cleveland and Rutherford counties.

The members of the Ku Klux Klan who whipped Mr. Biggerstaff were soon arrested by the federal officers and were carried to Raleigh where they were placed in jail. The following is an article which appeared in the *Raleigh Sentinel* on June 24, 1871, concerning them:

"Despotism—On Thursday 39 citizens among them some of the most respectable citizens of Cleveland and Rutherford Counties were committed to jail here for the want of bail for the sum of \$2,000 each for an assault and battery upon one Aaron Biggerstaff."

The citizens did not remain long in prison for the people of Cleveland were loyal to them. The following from the *Sentinel* of July 1, 1871, tells of their relief:

<sup>58</sup> Report of Committee to Investigate Affairs in Late Insurrectionary States, 2nd Session, 42nd Congress p. 172. Volume for North Carolina.)

<sup>59</sup> Governor Caldwell's Mss. Letter book, April 9, 1871.

<sup>60</sup> *Ibid.* April 29, 1871.

"Went Home Rejoicing.—About seven o'clock on Thursday evening the prisoners from Rutherford and Cleveland Counties were released on bail from the foul dungeon into which Judge Bond had committed them, after refusing bail of the sum of \$45,000."

The members of the Cleveland Klan made a raid not only upon Mr. Biggerstaff in Rutherford County, but they did the greater part of their work in that county. They made a raid on the Star printing office of Rutherfordton, in which a Republican paper was edited by Mr. Justice. The printing establishment was almost completely demolished. Likewise the majority of the raids made in Cleveland County were made by members of Klans from other counties, chiefly from Rutherford and from Cherokee County, South Carolina. There were in all twenty-five outrages in the county and the burning of one school house. Several of the prominent men of the county became frightened at the Klan and left the state. Among them we might mention Madison McBrayer and Richard Martin. But the Ku Klux really did accomplish two purposes,—the protecting of the virtue of the young white girls and the strengthening of the Democratic vote. Plato Durham stated that the poor white girls before the Klan came into existence were having mulatto children. It seems that the "poor white" women and the negroes were mixing rapidly but the Klan put a stop to this. As to strengthening the Democratic vote, the Klan accomplished that task. The Republicans were intimidated so that many of them stayed away from the polls on the election days. In the election of 1868 the Democratic majority was 850. For fear of a riot between the Democrats and Republicans in this election Governor Holden sent thirty armed troops up to Cleveland to protect the ballot box. The Republicans were so intimidated that their strength was greatly decreased. In 1868 they polled 750 votes, but in the election of 1870 only 250 Republican votes were cast. The Klan not only accomplished its purpose at the polls but it conquered the negroes. It completely destroyed the negro militia and the negro leagues. In the southern part of the county about forty negroes had organized themselves under the leadership of one Roundtree. The purpose, it is claimed, of this negro league was to take away the property from the white people, which the negroes

made for them while they were slaves. The league usually met in a school house. The Ku Klux Klan heard of the league's plot to go on a raid a certain night. The Klan on the appointed night went to the school house and found the negroes in it. Roundtree, their leader, attempted to escape. He went up into the loft and leaped from the window, but was shot to pieces when he reached the ground.<sup>61</sup> Thus ended the negro league and probably saved much property from being stolen and much trouble between the whites and the blacks.

Although the Klan did much good for Cleveland yet it did many things that it should not have done. In fact, after the young reckless boys joined, it became a dishonor to the county and a disgrace to the state. It continued to grow worse until stopped by the federal power in 1872. In that year Plato Durham was summoned to Washington by President Grant to testify as to the real condition and causes of its affairs, which testimony was given before the investigation committee of Congress. At this particular time there were several hundred people of Cleveland under arrest, some of them in jail, some of them who had already been sent to the Sing Sing Prison of New York, and some to the prison at Charleston, South Carolina.<sup>62</sup> Mr. Durham was promised by President Grant that if he would come back home and put a stop to the Ku Klux Klan all who had been arrested would be set free. Mr. Durham did so, and thus ended the Ku Klux Klan in Cleveland County.

#### POLITICAL PARTIES

The Democratic party has always dominated affairs in Cleveland. From the formation of the county in 1841 those who held other political views than those held by the Democrats were losers. Not only were the county officers members of the Democratic party, but Democratic candidates for President and for Governor always received a good majority in Cleveland. In 1860 John C. Breckenridge, the Democratic candidate for President, received over his Whig opponent, John Bell, a majority of 955 votes. The County gave Mr. Breckenridge 1041 votes while Mr. Bell received only 196. In the same year the Democratic candidate for governor, Mr. John W. Ellis,

<sup>61</sup> Conversation with Mr. Sammy Randall, who yet lives in the southern part of the county.

<sup>62</sup> Conversation with several citizens of Cleveland.

received 998 votes while his Whig opponent, John Pool, received only 419 votes in Cleveland.<sup>63</sup>

At the close of the war the names of the political parties were Conservative and Union. The Conservative was composed of all who had been in favor of secession and some of the old line Whigs, while the Union party was made up of the Union men, carpet baggers, and scalawags. The total vote cast in the gubernatorial election of 1865 was 670, Worth receiving 386 of these and Holden 302. The small vote cast was due to the fact that the great majority of the Conservatives were debarred from voting since they could not take the "iron clad oath." By 1868 the Conservatives assumed the name Democrats and the opponents Republicans. The number of votes now had changed considerably. In that year there were 1840 registered voters, 1528 of whom were white and 312 colored.<sup>64</sup> In the presidential election for that year the Democratic party cast 1037 votes while the Republican party polled 556.<sup>65</sup> The Republicans made desperate efforts to use the negro vote in 1868 and 1870 and thereby defeat their opponents but the Ku Klux Klan and other influences thwarted their purposes. In some sections of the county the Democratic party organized for the sole purpose of keeping the negro from voting the Republican ticket. In the southern section of the county the Democratic farmers united together in refusing to rent land to a negro who voted the Republican ticket.<sup>66</sup> The success of the Democratic party was also due very largely to the fact that it always had some exceedingly strong leaders during the days of reconstruction. There were some as good and strong men in Cleveland who allied themselves with the party as could be found within the state. Among them I might mention Plato Durham. Durham was a statesman of high order. He knew how to lead men and make his party strong. He was born at High Shoals, now Henrietta, Rutherford County, in 1840. He was the oldest son of Micajah Durham, who was a direct descendant of Lord Grange. In 1861 Mr. Durham came to Cleveland County and joined the Cleveland Guards as a private and finally rose

<sup>63</sup> Manual of N. C., published by State Historical Commission.

<sup>64</sup> Branson's *Business Directory*, p. 186.

<sup>65</sup> *Ibid.*

<sup>66</sup> Conversation with Mr. T. G. Borders, who yet lives in the southern part of Cleveland County.

to the rank of captain. After the war he began practicing law in Shelby. In 1867 his party elected him by a big majority to the Legislature and in 1868 to the Constitutional Convention. In this convention he fought the bill proposed by the Republicans to establish a common school system and offered as an amendment to the bill: "The General Assembly shall provide separate and distinct schools for the black children of the state from those provided for the white children."<sup>67</sup> He was also very active in the discussion of several other constitutional questions in the convention. In 1868 he was also a candidate for Congress and the Democratic party of Cleveland stood by him to a man. Durham's opponent in this election was A. H. Jones of Henderson County. Mr. Jones was a Republican who ran a hotel in Hendersonville, North Carolina. Durham received in Cleveland County 1,042 votes, while Jones received only 648 and about 200 of these were cast by negroes. In the whole Congressional District Durham received 10,347 votes and Jones 10,329, making a majority of only 18. Mr. Durham was not permitted to take his seat in Congress, though. The Republicans raised the cry of "fraud" and the votes were sent to General Canby at Charleston, who threw out enough to defeat Durham. In 1868-69 he was chosen again to represent the County in the legislature, and in which position he served his county well.<sup>68</sup>

Durham was succeeded in the legislature by Mr. Lee M. McAfee, his law partner. Mr. McAfee was also a strong Democrat and added much to the strength of his party.<sup>69</sup> Among the Democratic leaders Dr. W. J. T. Miller, the founder of the county, also deserves mention. Mr. Miller represented the county in the legislature for several terms and did much for his county and party.

<sup>67</sup> Convention Journal, p. 342.

<sup>68</sup> Manuscript of Robert Durham.

<sup>69</sup> Mr. McAfee drew up the bill of impeachment which removed Governor W. W. Holden from office.



## The Quakers and the North Carolina Manumission Society

By P. M. SHERRILL

Undoubtedly the strongest anti-slavery influence in North Carolina was that of the Quakers.<sup>1</sup> The Friends had strong convictions against slavery and they were as true to them as they were to their doctrine against war. They opposed slavery, not only in the abstract, but in practice; they not only tried to better the conditions of those living in servitude, but were actively engaged in manumission in the face of obstructive legislation. The Friends never had many colored members, neither did they ever own many slaves, and most of those they did own were freed even before the Revolution and a member could not continue to hold slaves and remain a Friend.

The first case of emancipation on record by the Friends as a body was in 1776, when the Yearly Meeting appointed a committee to aid Friends in emancipating their slaves. With the aid of this committee forty slaves were freed. But these slaves were emancipated illegally, and they were taken up by the authorities and resold into slavery. The Quakers claimed that the slaves were resold under a statute of 1777, passed after the slaves had been freed. They fought the matter through the Courts and won the verdict. But this victory was temporary for, in 1779, the Assembly passed a law confirming the sale of the slaves and providing that any others, similarly freed, were to be resold. This act was based on a colonial law of 1741 which the Assembly held was still in force.<sup>2</sup> The Quakers claimed that this was an *ex post facto* law and upon this claim and upon the Bill of Rights in the Declaration of Independence they drew up a petition to the legislature saying in part "that no law, moral or divine, has given us a right to, or property in, any of our fellow creatures any longer than they are in a state of minority." This petition, upon the advice of certain men, friendly to the Quakers, was not pre-

<sup>1</sup> See Weeks, *Southern Quakers and Slavery*, and Bassett, *Slavery in the State of North Carolina*, pp. 64-71.

<sup>2</sup> Bassett, *Slavery in the State of North Carolina*, p. 65.

sented.<sup>3</sup> Although this petition was not presented during the following years many others were submitted, upon various matters pertaining to slavery. In 1817 the Legislature was petitioned to take joint action with Congress in colonizing the free negro. But this petition received the same treatment that previous ones had met with. Upon this failure the Quakers gave \$1,000 to the American Colonization Society.

In the meantime, notwithstanding the fact that so far their efforts in behalf of emancipation had met with no success, they began to educate the negroes in Sabbath and Day schools. This was before the law had been passed prohibiting the teaching of slaves to read and write, and some considerable success was obtained. When the Legislature in 1831 passed the act prohibiting the education of slaves, the Quakers petitioned for its repeal. In this same petition they asked that negroes be allowed to preach. "We consider these laws unrighteous and contrary to the spirit of Christianity, offensive to God; and your memorialists believe, if not repealed, they will increase the difficulties and dangers they are intended to prevent."<sup>4</sup>

In order to evade the emancipation law the Friends, as a corporate body, became one of the large slaveholders of the state. In 1808, "certain parties were authorized to act as agents and to receive assignments of slaves from masters who wished to be rid of them."<sup>5</sup> The agents thus appointed could do as they saw fit with the negroes, hire them out and receive their wages, and they had the power to "act discretionary with particular characters, and if they or any of them will not comply with the directions of the agents, after the necessary care has been taken they may give them up to a course of law" and "they may be subjected by the most moderate means that will effectually reduce the object to industry for the benefit of himself or herself."

The Quakers did not take this step hastily, but on the advice of William Gaston, later a member of the Supreme Court of North Carolina. In 1809 he wrote as follows:

"By the act of 1796, Chapter II, it is made lawful for any religious society or congregation in the state to elect any

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<sup>3</sup> *Ibid*, p. 65.

<sup>4</sup> *Ibid*, p. 67.

<sup>5</sup> Weeks, *Southern Quakers and Slavery*, p. 224.

number of their body, as trustees, which trustees and their successors in office shall have full power to purchase and hold in trust for their society or congregation any real estate, and to receive any donations of whatever kind, for the use and benefit of such society or congregation; to this power of making purchase and receiving donations there is but one limitation, which is, that under this act, no single congregation or society shall hold more lands than shall amount in quantity to 2,000 acres and in value 200 pounds per year. It necessarily follows that donations of personal property, such as money, slaves, etc., may be received to any amount,—such donations cannot be set aside by any persons claiming under the donors, nor can they be impaired by any one; unless by the creditors of the persons who have made such gifts fraudulently to defeat the recovery of just debts, or by those who can show a superior and paramount title to the property given, nor are they liable for the debts of the individual trustees to whom the conveyance is made,—for the act especially provides that conveyances and donations in the manner above mentioned shall be valid in law to convey to the society or congregation the absolute estate of the property comprehended in the instrument of conveyance of gift. And if the absolute estate therein be vested in the society, of course there is none in the trustees through whose medium the transfer is effected or at most a legal and not a beneficial interest.”<sup>6</sup> With this document Gaston included a proper legal form for such gifts. Evidently he thought that the Quakers had a perfect legal right to hold slaves in this way, but notwithstanding his opinion, many suits arose. Some of them will be discussed later.

At first this system did not meet the approval of all the Friends but soon the entire Yearly Meeting was actively engaged in the work. The agents not only received negroes from Quakers but also from others until it was found necessary to prohibit the further gift of slaves by others than Friends.

Under this system a great number of slaves were received by the agents. By 1814 more than 350 negroes had been transferred to the agents. In 1822 there were 450; in 1824 there were 500 under care and 727 had been received in all; in 1826, 600 were under care; in 1830, 402 were under care; and

<sup>6</sup> Manuscript in Guilford College Library.

in the Eastern Quarter in 1834 there were 300 under care.<sup>7</sup> As late as 1836 eighteen were still under care.

Most of these negroes were sent to free states, a large portion to the west, and some to foreign ports. As early as 1814, 40 were sent to Pennsylvania. A report of the agents in 1830 says that up to that time 652 had gone to free governments. In 1834 300 were sent to Indiana from eastern Carolina.<sup>8</sup>

Not as many went to foreign ports as to free territory. One of the agents says that many of the negroes refused to go to Hayti or Liberia, contending that they would rather stay in America and remain in servitude than go so far from home.<sup>9</sup> However, of the 600 under care in 1826, 316 were willing to go to Liberia, 101 to the west, 15 to Philadelphia and 99 to stay at home.

The cost of getting this large number of negroes to free territory was heavy. It was estimated by the Eastern Quarter in 1834 that the cost of sending 133 negroes to Indiana was \$2,490.<sup>10</sup> To meet this heavy cost the Quakers, or a great many of them, contributed freely of their own means. They also received many contributions from Friends in New England, New York, and Indiana. Friends in England also contributed largely, £500 in 1835 and £534 in 1836. These facts are taken from Manumission Papers in the Guilford College Library, and from their contents it seems likely that the English Quakers contributed annually. These English letters are generally addressed to Jeremiah Hubbard, a Guilford County Friend, and signed by Josiah Forster. It is interesting to note that Jeremiah Hubbard had Indian blood in his veins.

In 1822 \$200 was appropriated for the purpose of removing negroes to free territory. This fund which was increased year by year was called the "African Fund." By 1830, \$12,769.51 had been spent in sending negroes to free governments. In 1837 the African Fund was \$3,375.05. After that time it began to fall off so that in 1856 it was only \$353.12.<sup>11</sup>

<sup>7</sup> Weeks, *op. cit.*, pp. 225-228.

<sup>8</sup> *Ibid.*, pp. 225-228.

<sup>9</sup> MSS. in Guilford College Library.

<sup>10</sup> MSS. in Guilford College Library.

<sup>11</sup> Weeks, p. 228.

The North Carolina Friends kept up a close correspondence with the American Colonization Society. Some Friends, Levi Coffin for example, were not in favor of co-operating with this society and looked on it rather as a slaveholder's scheme than an anti-slavery one. The Friends who took this view were usually rank abolitionists. But notwithstanding this division the Quakers contributed to the Society and served as a sort of collecting agency of negroes for it. The North Carolina Friends were most active in this work during the years 1825 to 1830. They contributed to its funds over \$2,000. In 1826, \$5,000 was given to the Quakers to send negroes to free governments, and, acting under the advice of the Society, a vessel carrying 119 emigrants sailed from Beaufort, North Carolina for Hayti. Of these 119, 54 were sent by the agents of the Yearly Meeting; 55 by members of the Society; eight were free negroes, intermarried with slaves; and two by persons not in the Society. They were so favorably received in Hayti that the President asked for more emigrants. In 1826 a ship sailed for Africa from North Carolina with 50 emigrants and in 1827 another sailed with 67 on board.<sup>12</sup>

About the year 1831 the free states of the west began to be alarmed at the large number of negroes who were coming to that section. They accordingly passed laws forbidding masters to bring their slaves there for the purpose of freeing them and also they forbade free negroes to migrate to the West. The Friends of Indiana, many of whom had migrated from North Carolina, held this view. A summary of a letter from Samuel Charles to Jeremiah Hubbard in 1826 shows "that the prejudice against a colored population, was as great in Indiana as in North Carolina, and that there was as much of it in the minds of members of our Society there as in other people, that they say as others do that they ought to be free, but they do not want them there, and notwithstanding that is called a free state, a free black person is not allowed as much privilege there by law as in North Carolina."<sup>13</sup> A company from North Carolina reached Indiana in 1837 and when they found they could not stay they

<sup>12</sup> *Ibid.*, pp. 229, 231.

<sup>13</sup> *Weeks*, pp. 232, 233.

went on to Pennsylvania, but were not allowed to stay there, and finally had to migrate to Africa.

The policy of the Quakers brought them into many law suits. One of the most famous, *Contentnea Society vs Dickinson*, was heard by the Supreme Court in 1827. The case was as follows: In 1817 the agents of the Quaker society of Contentnea in Wayne County received a slave from William Dickinson. This negro was to be watched over by the agents who had power to hire him out, but the negro himself to receive the profits of his labor, until he could be free by the laws of the state. Nothing was said about sending him out of the state, even if he was eventually freed. The opinion, written by Chief Justice Taylor, declared that the system of the Quakers was practically emancipation. By law a religious society could hold property for its use only, not when conveyed to it for a purpose which was contrary to policy of the laws of the state. It was well known that Quakers did not hold slaves for their own use or profit because it was strictly contrary to their principles. One, Justice Hall, dissented. He held to the earlier view of Gaston that a religious society could hold personal property unlimitedly.<sup>14</sup>

Another case was that of *Redmond vs Coffin* in 1833. Redmond had conveyed six slaves to the Quaker agents, E. Hunt, Timothy Mauney, Josiah Unthank, and George Swain. After his death, Redmond's wife brought suit for the possession of the slaves. She won the case, and the opinion by Chief Justice Ruffin said: "A bequest of slaves for the purpose of emancipation, is void, and a trust results to the next of kin."<sup>15</sup>

Of the 600 negroes under care of the Quakers in 1826, 78 were involved in lawsuits.<sup>16</sup> But as has been seen above the Quakers, regardless of these adverse decisions, continued to hold slaves in this way.

After 1835 the slavery question began to decline among the Quakers. Many of them had emigrated to the west and other issues, such as the whiskey question, began to claim the attention of those who remained. Also the people of North

<sup>14</sup> 12 N. C. Reports 154.

<sup>15</sup> Guilford Equity Cases, 1831; Minute Doc., Superior Court Reports, 18-431.

<sup>17</sup> N. C. Reports 431.

<sup>18</sup> Weeks, p. 228.

Carolina were beginning to take a reactionary view toward slavery.

Such were the sentiments and the activities of the Friends as a body toward slavery. In addition to the work of their Yearly Meeting, there existed among them a local anti-slavery society, known as "The North Carolina Manumission Society."<sup>17</sup>

This society was organized in the so-called Quaker counties of North Carolina—Guilford, Randolph, and Chatham. The movement was probably originated by the great Quaker anti-slavery preacher, the founder of *The Philanthropist*, Charles Osborne. He organized an anti-slavery society in Tennessee in 1814 and from his journal we learn that he organized such societies in Guilford County, North Carolina, in 1816. These were probably the Center, Caraway, Deep River, and New Garden branches which united in 1816 to form the North Carolina Manumission Society. Their first meeting was on July 19, 1816 when the above mentioned chapters or branches were represented. They reported a total membership of 147. The first officers elected were Moses Swain, President; Thomas Swain, Clerk; and Hugh Sherwood, Treasurer. The Swains and Coffins are especially prominent in this first meeting. About all that was done except to organize was to appoint two committees; one to look after all printing, and the other to get extracts from the slave laws of different states. At the next meeting rules of order were drawn up and the proposed constitution was discussed. The preamble of the constitution contained the following which sets forth the views of the society: "that we adhere to the Declaration made by our countrymen in the year (1776) viz, 'that all men are created equal, that they are endowed by their creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness.' That the command of the great father of mankind is, that we do unto others as we would be done by." The name was to be "The North Carolina Manumission Society." The meetings of the representatives of the various branches were to be held alternately at Deep River and Center Meeting Houses to "delib-

<sup>17</sup> Facts concerning this Society here given are taken from the MSS. "Minutes" in the Guilford College Library.

erate upon, and adopt such measures as in their judgment will be likely to promote the gradual abolition of slavery." Any free white male could become a member of the society upon recommendation and a majority vote. This constitution was ratified in 1816 and revised in 1819.

The membership rapidly grew around the nucleus of the first 147. In 1817 the membership was as follows: Center Branch 66, Deep River 46, New Garden 68; total 180. There was no account from Caraway. In 1817 two new branches were entered on the roll, Springfield and Reedy Fork, with 31 and 32 members respectively. The total number of members at this time was 256. In 1818, "in consequence of the neglect of some of the Branches the aggregate amount of members cannot be ascertained." By April, 1819, the membership had increased to only 281. In 1825 there were 35 branches, 27 represented at the meeting—15 branches reported 497 members. This was an average of 33. There were probably 1150 in all. In March, 1826, 23 branches reported 1000 members; 14 branches were not represented. The total membership had probably increased to 1600. The roll in September, 1826, was as follows:<sup>18</sup>

BRANCHES	MEMBERS
New Garden, Guilford County .....	40
Center, Guilford County.....	112
Deep River, Guilford County .....	50
Caraway, Randolph County .....	31
Springfield, Guilford County .....	77
Deep Creek .....	...
Trotters Creek .....	30
Cane Creek, Chatham County .....	44
Jamestown, Guilford County .....	75
Richland Creek, Randolph County .....	87
Emanuel .....	79
Ebenezer, Chatham or Randolph County .....	41
Rocky River, Chatham County .....	...
Uwharee .....	119
Newberry .....	28
Tabernacle .....	76
New Salem, Randolph County .....	44
Beans Shoals .....	...
Mount Olivet, Chatham County .....	...

<sup>18</sup> The counties in which the branches were located are given as far as they can be ascertained by the writer.



South Fork .....	...
Union, Randolph County .....	...
Bethel, Chatham County .....	...
Dover, Guilford County .....	27
Morris Chapel .....	19
Blues Creek .....	41
Providence, Chatham County .....	41
Westfield .....	...
Sandy Creek, Randolph County .....	...
Marie's Creek .....	...
Muddy Creek, Forsythe County .....	...
Shiloh, Chatham County .....	...
Hunting Creek .....	13
Prospect, Randolph County .....	...
Reedy Fork, Randolph County .....	...
Brush Creek, Randolph County .....	...
Hillsborough, Orange County .....	...
Greensborough, Guilford County .....	...
Rehoboth, Guilford County .....	18
Jersey Settlement, Davidson County .....	21
Loves Creek, Chatham County .....	...

There was a total of 1,116 members from the 22 branches reporting and a total number of branches, 40. Probably one cause of this growth was the visit of Benjamin Lundy to North Carolina in 1824. There were also four Female Societies.

The first mention of a Female Society was in 1825 when such a branch at Jamestown contributed a sum of money to the treasury. It was recognized as an auxiliary. In 1826 there were four of these female societies and an address was received from one or more at almost every meeting. In answer to their addresses in 1826, the committee reported that "they contain a fund of good sense, and noble sentiment; but when we reflect that they sprang from the female sex, their excellence is doubly enhanced." And again, "their alleviation of our toil, may be likened to the music of a vernal grove adjoining a field of labor; or to a sprightly companion along a rugged path, at once beguiling the hours and smoothing down the asperities of the way." The addresses of the women were answered at almost every meeting with some such tribute as the foregoing. Another association of women called the "New Salem Benevolent Association of Females" was recogniz-

ed as an auxiliary in 1827.

From 1826 on, although the branches rose to the number of 45 at one time, there is not again given the number of members, and the number of unrepresented branches increased, especially after 1830.

In 1834, at the last meeting of the Society, there were only three branches represented—Center, Springfield, and Union.

There are several reasons for this decline. One was that the pro-slavery sentiment was on the increase in North Carolina, with which came hatred of the radical ideas of the northern abolitionists. And the same dislike fell on the North Carolina Society, for it had become abolitionist in its doctrines. This leads to the division of sentiment within the organization itself.

As early as the third meeting of the society, April 28, 1817, a division occurred when it was proposed to add to the name the words "and colonizing." This was adopted, it seems, without much discussion but when, at the next meeting, it was proposed to strike out "colonizing" and insert "colonization" in its stead, a sharp debate occurred. The proposition carried however. Levi Coffin in his *Reminiscences* says of this change: "The last convention that I attended was held at General (Alexander) Gray's in Randolph County. He was a wealthy man and owned a number of slaves, but was interested in our movement. The meeting was held in his large new barn, which was covered but not weatherboarded, and which afforded ample room for the assembly. Quite a number of slaveholders were present who favored gradual manumission and colonization. They argued that if the slaves were manumitted, they must be sent to Africa; it would not do for them to remain in this country; they must return to Africa, and this must be made a condition of their liberty. A motion was made to amend our constitution, so that the name of our organization would be 'Manumission and Colonization Society.' This produced a sharp debate. Many of us were opposed to making colonization a condition of freedom, believing it to be an odious plan of expatriation concocted by slave holders, to open a drain by which they might get rid of free negroes, and thus remain in more secure possession of their slave property. They considered free negroes a dangerous element among slaves. We had no objection to free negroes going to Africa

of their own will, but to compel them to go as a condition of freedom was a movement to which we were conscientiously opposed and against which we strongly contended. When the vote was taken, the motion was carried by a small majority. We felt that the slave power had got the ascendancy in our Society, and that we could no longer work in it. The convention broke up in confusion and our New Garden branch withdrew to itself, no longer co-operating with the others. Our little anti-slavery band, composed mostly of Friends, continued to meet at New Garden until the majority of the members emigrated to the West, preferring to live in a free state."<sup>19</sup>

It is clear that there was a majority who did not take Coffin's view of the change, because the Society continued to grow; but it is also clear that the Society was not as completely abolitionist in its views as at first. In 1819 there was a proposition from Springfield to strike out "Manumission" from the name. This proposition was referred to a committee. At the next meeting it was decided to retain "Manumission" in the title.

Although Coffin says that New Garden drew out of the Society, there was a proposition from the branch in 1820 to strike out "Colonization." It was referred to the next meeting, when it was at first decided to strike out the word and then decided to reconsider the proposal at the next meeting. At the next meeting action was again deferred, but finally in 1822 it decided to retain "colonization." The word was later dropped out, but from the minutes of the Society it does not appear when. In the latter part of 1824 the Minutes give the name as the "North Carolina Manumission Society."<sup>20</sup>

At the same meeting at which the word "and colonizing" was added to the name of the Society, correspondence with the "American Society at Washington City, for colonizing free people of color" was authorized. In 1819 a proposition to contribute to the American Colonization Society was referred

<sup>19</sup> Coffin, *Reminiscences*—pp. 75-76.

<sup>20</sup> Weeks, in *Southern Quakers and Slavery*, pp. 239-40, says that the term "colonization" was dropped from the name at the April meeting, 1824. From the minutes it may be seen that there was "no quorum" at that meeting. The only business transacted was to acknowledge the receipt of some books from the American Convention. Further the President in June, 1824, refers to the society as the North Carolina Manumission and Colonization Society, saying that he thinks the name ought to be Manumission Society of North Carolina.

to a committee which reported that the Society could not now become a member of the "Colonizing Society at Washington" because it was too poor, which report the house adopted. In April, 1820 it was decided to refund \$18 collected for the American Society to the original subscribers. The reason for this action is not stated. In 1825 it was decided to encourage emigration to Hayti and Liberia to a limited extent, the negroes being given the choice of the place. The members thought that free negroes should go and slaveholders should prepare their slaves to go. They went further in 1826 and gave one of their members \$23 to aid in sending some negroes to Hayti. At the next meeting they decided to print a monthly sheet devoted to Manumission and Colonization. This project was later dropped because of the lack of funds. At the same meeting another small amount was contributed toward sending negroes to Hayti. The next year a speech of "Mr. Secretary Clay before the late annual Meeting of the American Colonization Society" was read. In September 1827 it was stated that "some of the members of the North Carolina Society have thought that the principles of the American Colonization Society were congenial with the views of the Manumission Society, others have thought not. Therefore it is resolved that the North Carolina society sympathizes with Abolition societies but also with colonization, because colonization naturally means gradual emancipation." The Society also contributed \$20, together with a petition to Congress to aid colonization. But by 1829 the Abolition element seems to be again getting in control for a resolution for co-operating with the Colonization Society was indefinitely postponed, which in effect meant a loss of the resolution. But in contrast to this, in 1832, after an animated debate, a proposition for the branches to contribute to the Society was decided in the affirmative. A committee was evidently appointed, for at the next meeting they reported nothing done, and it was moved that it be "exonerated" from the performance of its duty at all.

The Manumission Society also kept up friendly relations with the American Convention for the Abolition of Slavery. In 1819 a motion to send a delegate to the Convention was indefinitely postponed. In 1826 a committee was appointed to

write to the Convention and give it some information for which it had asked. In 1827 Benjamin Swain attended the convention as a delegate. In September 1827, although there were not enough funds to send delegation to the Convention, it was resolved to send a communication. In 1828 it was again reported that there were not sufficient funds to send delegates. The same thing was reported in 1829, but a communication was to be sent and also \$5 to be contributed to its funds. The Society also received from time to time tracts and books from the Convention. The relations between the two were closer after 1825.

The Society also corresponded with Bible and Peace societies. This fact brings out the strong Quaker element in the membership.

There was a so-called North Carolina Abolition Society at Newberry. Little is known of this society, except what is learned from its relations with the Manumission Society. In June 1824, a committee from the Society was appointed to meet with Newberry Society and try to unite the two. In September of the same year, Aaron Coffin reported that the North Carolina Abolition Society could not agree to the Manumission Constitution. He recommended that a committee be appointed to serve with a like committee of the Abolitionists, to come to terms and draw up a constitution. At the next meeting, October 1824, the constitution drawn up by the joint committee was unanimously adopted. It is unknown whether the abolition society took like action but it probably did adopt the constitution, for after this time Newberry appears on the roll of branches.

Now let us study some of the propositions taken up by the Society and see what it did in itself for the negro.

Among other things the General Association (as the Society is designated in the minutes) sent many memorials and addresses to Congress. Perhaps it would be more nearly correct to say that many were drawn up and few were sent.

The first mention of a petition to Congress was in 1817 when the Association resolved to send a petition "on behalf of the people of color held in slavery." This petition was reconsidered at the next meeting and rejected. A committee was

appointed to draw up a more suitable one. At the next meeting the committee reported that 260 signers, not members of the Society, had been secured, and the Society instructed that the petition be sent to Thomas Settle, the representative from that district. Another memorial was drawn up in 1824 to be sent to Romulus M. Saunders or John Long, representatives in Congress. This petition asked for the prohibition of the slave trade between the states. At the same meeting there was a motion to memorialize Congress for the abolition of slavery in the District of Columbia and also asking for governmental aid to the Colonization Society. In the next year a memorial contained the following: "That in North Carolina, its (slavery) malign influence on the agricultural interest, on the public morals, and on the simplicity of her republican virtue, is felt and deplored by an important portion of her citizens." It is interesting to note in this connection that in 1825 the people of North Carolina were divided as follows in their attitude toward slavery, according to the estimate of the Society: two-sixtieths were for immediate emancipation; three-sixtieths for gradual emancipation; four sixtieths supported schemes of emigration; thirty-six-sixtieths were ready to support schemes of emancipation; three-sixtieths did not care for the subject; nine-sixtieths opposed emancipation as impractical; and three-sixtieths were bitterly opposed. Of course these are the estimates of an anti-slavery organization.

From the one report of the reception given to memorialization by Congress it is clear that that body was not favorable to the cause. In 1829 Congress said in part "that for the consolation of those whose feelings are exerted in their behalf, that in the separation of their (slaves') families, their condition is frequently bettered, and their minds made happier by the exchange—and that their prisons are kept, from humane considerations, to shield those who are destined for sale, from the inclemency of the weather."<sup>21</sup>

The first motion to petition the Legislature was in 1818 and was lost. The discussion of a petition was kept up however until 1819 when it was dropped. In March 1825 the minutes speaks of a petition which had been forwarded to the

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<sup>21</sup> I have not been able to find copies of the memorials to Congress or any other reply of Congress than the one quoted.

Legislature, and in September of the same year an address was to be sent by the representatives, Jonathan Parker and William Unthank. In 1827 the Board of Managers was instructed to petition the Legislature to prohibit the importation of slaves from other states into North Carolina. Seemingly nothing was done for the society recommended the same thing in 1828. In the latter part of 1828 it was resolved to petition for better laws for individual emancipation, and a committee was appointed for this purpose. In 1829 this committee reported that it was not expedient to petition the next Legislature "to leave owners of slaves at discretion in liberating their slaves, although we believe it a subject of vital importance and one which ought to be well considered." From this time on committees on this subject generally report either "no progress" or that it is inexpedient. In 1831 the report of a committee in favor of petitioning the Legislature for the repeal of the acts prohibiting the education of slaves after considerable debate was rejected, but another committee was appointed to "draft a Remonstrance against the enactments of the Last Legislature, Relative to Slaves."

One aim of the Society was to get its views before the public through newspapers. It was unsuccessful in this at first. As early as 1816 it tried to get an address which had been delivered before a meeting published in the Raleigh papers. This is the answer they received to their request:

"Dear Sir:—I received by a young man who passed thro' the place some days ago an oration delivered before your Manumission Society, with a Request that it might be inserted in the 'Register, Star, and Menerva.' I am not willing to insert it in the Register, it is on a subject which the people of the state will not bear discussed with temper at present, it might also produce consequence of a direful kind by getting into the hands of Slaves, for many of them can read—I wish with you, that an end could be put to Slavery, but it will be of no use to attack the people's prejudices directly in the face, it must be brought about by slow, but gradual means—if you wish the copy returned say so.

Yours Respectfully,  
Raleigh, September 6th, 1816." JO. GALES

So unsuccessful were the attempts to get articles in the papers that the Society considered established a printing press of its own. Although many plans were made, none of them were carried out. Sometimes, however, they did print certain addresses and distribute them to the branches.

The Society was given a medium through which to give its doctrine to the public when William Swaim became editor of the *Greensboro Patriot* in 1827. Before this time some manumission copy was published by the editor, T. Early Strange, who was prominent in the Society. Swaim was editor until his death, in 1835. During this time there are frequent anti-slavery articles, together with calls for Manumission Meetings. Swaim was also prominent in the Society and served as its Secretary for a number of years. A thoroughly anti-slavery man, he lived up to the motto of his paper, "The Ignorant and Degraded of Every Nation or Clime must be Enlightened Before our Earth can have Honor in the Universe." Levi Coffin says: "He advocated the manumission of slaves, and though he met with a storm of opposition and was assailed by other papers, he continued his course boldly and independently. He received letters from various parts of the state full of threats and warnings. These he published in his paper, and replied to them in editorials. Many public speakers and writers engaged in discussion with him, but they could not cope with him, and generally retired from the combat much worsted." Here he was true to another motto:

"Truths would you teach, or save a sinking land,  
All fear, none aid you, and few understand."

In his paper he often writes against the slave trade, and in favor of colonization. He says his object is "to *persuade* our fellow citizens not to permit less important things to divert their attention from a question which, it has justly been said, is 'Big with the fate of this Union'."

Swaim was not, as was generally thought throughout the state at that time, a Quaker. He makes this clear in an editorial which appeared in the *Patriot*, May 9, 1832.

After Swaim's death the paper was taken over by A. E. Hanner and C. N. B. Evans, and advertisements for fugitive slaves and slave auctions begin to appear in the *Patriot*.



At an early meeting of the Society it was decided to investigate cases of kidnapping, and in 1819 a standing committee was appointed on the subject, and, on motion at the same meeting, "it was resolved for the committee on the subject of kidnapping to take into consideration, the case of a number of colored people in the eastern part of this state, supposed to be illegally held in bondage, and if the committee thinks proper to pursue the subject, they are authorized to draw on the treasurer for money to bear their expenses." There is no account of a report by this committee. In 1825 upon the information that certain negroes were held in illegal bondage in Surry County, it was decided to take no action as a body.

The Society also gave some aid to those who wished to emancipate their slaves. In 1825 they thought it inexpedient to help free the slaves of certain persons, except to raise in part the money for that purpose. In 1827 a committee was appointed to correspond with one Nancy Moore who wished to manumit and colonize her slaves. This was the extent, as appears from the Minutes, of direct aid to persons who wished to manumit their slaves. At one time the appointment of an agency for that purpose was considered but is was deemed inexpedient.

Individual members of the Society, however, were active in the cause of emancipation. One of these was George C. Mendenhall, a prominent politician. The following letter, written when the Society was most prosperous, well illustrates the sentiment of the membership.

JAMESTOWN, GUILFORD, NORTH CAROLINA  
June 14, 1825

"MARTHA MOORE:

My brother Richard on his way to Richmond, Virginia, a few weeks since, wrote a line home, stating that he visited you on his way, and requested a line written to you pointing out a certain method of effectually emancipating your slaves after your death. I have waited for my Brother to return to find if he knew of any further circumstances than he has written, respecting your determination to effect their freedom, but his written statement contained, as he says, all his information on the subject. I now proceed to state, that I know of no other way that you can insure them their freedom by will, and as a

confirmation of this I will refer you to two cases already decided on by the Supreme Court of this State—first case that of Huckaby against Jones and others (from Franklin County) . . . *lawful property* and for them to keep or dispose of as they shall judge more fit for the glory of God, and good of said slaves, it was decided that as those 4 men took no beneficial interest under the will, they were mere trustees, and as the intention of their testator was to give his slaves freedom, such intention was illegal as against the Policy of the Law and next to kin was to hold the slaves; this case will be found in the second volume of the Supreme Court Reports by F. L. Hawks Page 120. The other case was Turner against Whitted from Orange County to the same effect. Hawks Report Page 13.

"The only way therefore seems to be, to set them free by removing to a free state or country in your own life time for you cannot set them free here in this State, either by deed or will, because the Laws will not allow thereof.

"You can employ an agent and give him a Power of Attorney to convey them to Ohio or Indiana State and leave or settle them there; it is a plentiful country where they would no doubt in a short time be in a measure comfortably situated and where they could enjoy more privileges and a greater degree of Liberty than free persons of color can by our law enjoy in North Carolina. If you are disposed to remove them I can only say it might be well for their security that it should be done at as early a period as practicable with convenience. The slaves themselves if hired out would in a few months raise a sufficient sum to defray all expenses attending their conveyance to any of the Western States. I will further add that any other or further information which you may at any time wish, I will freely and cheerfully impart, or any writing on the subject, which you may require I will attend to by your having a line sent to the Post Office.

With due Respect

GEORGE C. MENDENHALL.

"Jeremiah Hubbard is of the opinion that if you would appoint Vestal Coffin of this County as an agent, he would honestly and safely convey your slaves to any other state that you may desire. He has been engaged heretofore warmly in the

# **Currency and Banking in North Carolina 1790-1836**

BY WILLIAM K. BOYD

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## **I. INTRODUCTION: ECONOMIC AND SOCIAL CONDITION**

When North Carolina entered the Federal Union in 1789 it ranked third among the states in population; from 1800 to 1820 inclusive it stood fourth; but by 1830 it had dropped to fifth. During these decades there were strong evidences of economic stagnation. Land valuation in 1833 showed a decline compared to that of 1815. Textile products as late as 1810 surpassed in value those of Massachusetts; but by 1830 the industrial revolution in that state gave it precedence by a wide margin, and the trend of industry in North Carolina was toward agriculture.<sup>1</sup> Thousands of people left the state to find homes in the northwest or in other parts of the south.

For this condition various explanations were offered by the observing and thoughtful men of the time. Perhaps the one most emphasized was the system of trade and commerce. Communication between the various sections of the state was so difficult that most North Carolina products were marketed in the cities of South Carolina and Virginia. The cost of transportation was so heavy that the profits were seriously reduced. Illustrative of this evil is the following quotation from a legislative report of 1833: "In North Carolina it is apparent that the reward of labor has ceased to be a stimulus to industry and to enterprise; that agriculture has ceased to yield to the land owner a compensation equivalent to the expense attending the transportation of his surplus produce to market. The consequent result of this state of things is, that real estate throughout the country has so depreciated in the hands of the farmers, as to be considered not to possess a fixed value estimated upon its products. Hence our citizens are daily abandoning the places of their birth for situations in other states less healthy, and often not superior in fertility of soil; but which, by the improvement of those states, rendered by the fostering aid of legislative patronage, the faci-

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<sup>1</sup>Tench Coxe, *Statements of Arts and Manufactures in the United States*, 1810.

lities to wealth and the means of acquiring the necessities of life, the profits of labor hold out stronger inducements to agricultural pursuits than is to be found in North Carolina."<sup>2</sup> The situation revealed in this quotation along with the diversion of North Carolina products to Virginia and South Carolina markets show an ancient economic basis for the characterization of North Carolina as "a valley of despondency between two mountains of conceit." Out of it grew the demand for state aid to the building of roads and canals known as internal improvements.

A second cause of the deterioration of North Carolina suggested in the contemporary prints was the lack of a system of public schools. Ignorance led not only to poverty but was a factor in causing many to leave the state and find new homes where better educational opportunities were available. A system of common schools was therefore regarded as one of the remedies for existing evils. "It is humiliation in the highest degree," said a newspaper correspondent in 1825, "to behold the gigantic strides by which our sister states have surpassed us in the march of improvement . . . . Our agriculture is nearly what it was in the days of our fathers; enterprise, of every kind, seems to have taken wings and fled to some congenial abode; our political existence has been but barely acknowledged; and, with very few exceptions, our representation at Washington has been such as to corroborate the degrading opinion of our state. It is now high time to retrieve our lost honor, and establish our character for intelligence, patriotism and enterprise. And in accomplishing this grand object, the intellectual improvement of the lower classes must constitute the adamant basis of the whole structure. Do this, and agriculture will feel its genial influence; commerce will wave its flag; talents and ability will mark our representatives; foreign influence will vanish from our deliberation, and our state assume that rank to which its resources and its political duration so eminently entitled it."<sup>3</sup>

Progress was also greatly retarded by the sectional conflict between the east and the west. Up to 1835 the eastern counties had a larger representation in the legislature, though

<sup>2</sup> Report of the Committee on Internal Improvements.

<sup>3</sup> *Western Carolinian*, Jan. 11, 1835.

the western counties developed more rapidly in population and wealth. The antagonism which resulted prevented any spirit of co-operation for a common cause. Deadlocks and log-rolling were common in the legislature, and local and private acts far out-numbered the public laws. It was this bitter spirit of local sectionalism that Governor Swain arraigned in 1835 as follows: "The history of our state legislature during the first half of our political existence will exhibit little more to posterity than the annual imposition of taxes amounting to less than \$100,000, one half of which constitutes the reward of the legislative bodies by which they were levied, while the remainder was applied to sustain the train of offices who superintended the machinery of government."

Undoubtedly another factor which contributed to the sense of depression in North Carolina was slavery. The per cent. of increase in the slave population from 1790 to 1830 was greater than that in the white population; also, by 1830 the negro population, including the slaves and free negroes, had reached the limit of its expansion; its relation to the total population, 36 per cent., was practically the same as in 1860, 37 per cent., while in 1790 it had been 27 per cent. However, public expressions of the economic evils of slavery were few. The most notable was that of William Gaston in an address at the University of North Carolina in 1832. "Disguise the truth as we may," he said, "and throw the blame where we will, it is slavery which, more than any other cause, keeps us back in the career of improvement. It stifles industry and represses enterprise—it is fatal to economy and providence—it discourages skill—impairs our strength as a community, and poisons morals at the fountain head."

In addition to these influences there was another one equally effective in limiting the development of North Carolina from 1790 to 1830. That was the state's financial system. It was not mentioned so often as a factor in the general depression, partly because it was such an ancient heritage that its essential evils as well as its relation to the general progress of the state were not realized. But an analysis of financial conditions, though superficial, must create a surprise that the eco-

nomic decline was not greater than it really was; for the three main elements in the financial problem, a confused and fluctuating currency, an inadequate system of taxation, and inefficient administrative methods are the very factors that most certainly produce business crises, lower the standards of the public conscience, and make extensive appropriations for public purposes impossible. Of these three elements in the fiscal policy, the currency was by all odds the most complicated and the most demoralizing, and most directly related to general economic development. It is very significant that there was no great appropriation for internal improvements nor marked progress in industry and trade until the problem of the currency was vigorously attacked through the agency of banks. Hence for its relation to the general march of progress, as well as for its technical interest, the history of currency and banking in North Carolina is of interest. The aim of the present study is to present the main lines of that history from 1790 to 1836, the latter year marking the close of one, and the beginning of another, epoch in the state's financial history.

## CHAPTER I

### II. THE COLONIAL AND REVOLUTIONARY HERITAGE

The origin of the currency problem is found in conditions during the colonial and revolutionary periods. Fiat money, rather than taxation, was the prevailing method of meeting public obligations.

The total bills of credit emitted from 1715 to 1764, when Parliament forbade any further colonial issues, was £219,092 and in 1771 debenture notes to the amount of £60,000 were also put into circulation. Various measures were taken to redeem this paper money but their effectiveness cannot be estimated. When the constitutional controversy which resulted in revolution came to a crisis in 1775, the amount of paper money in circulation, including the debenture notes, was probably £100,000, while the population was 250,000. Depreciation, ever present since the first issues, was then at the rate of 150 to 100 sterling.<sup>4</sup>

<sup>4</sup> For a discussion of the Colonial issues of paper money, see Bullock, *Essays on the Monetary System of the United States*. Or Raper, *North Carolina, a Study in English Colonial Government*, ch. VI.

This excessive use of paper money suggests an accompanying evil, the lack of any efficient system of taxation. The popular economic fallacy was to meet the public debts with new issues of paper money rather than by taxation. Direct taxes were levied only seventeen times prior to the revolution; fourteen of these levies were poll taxes and one was a tax on law suits.<sup>5</sup> One of the controversies that ushered in the revolution in North Carolina was that of continuing a poll tax to redeem certain issues of paper money. The Assembly held that the redemption was complete and that the tax should be dropped, while the Governor maintained that the tax should be continued to redeem the debenture notes. Nor was indirect taxation any more stable. Duties were twice levied on general merchandise, six times on liquors, and a tonnage duty was occasionally collected.<sup>6</sup> Thus the traditions of colonial days were not favorable to a thorough system of taxation.

The restiveness regarding taxation was doubtless increased by the methods of administration. The office of treasurer was a double one, one official being elected for the northern district which included Currituck, Pasquotank, Perquimmons, Chowan, Tyrrell, Bertie, Edgecomb, Northampton, and Granville counties, and the other for the southern district which included the counties south of those mentioned. Below the treasurers were the sheriffs or county treasurers who collected the taxes on the basis of property values given in to county courts by the property owners. Inefficiency and corruption characterized the local administration. In 1770 every county in the colony had at least one defaulting sheriff and the total amount of arrears due by the sheriffs was estimated at £49,000.<sup>7</sup>

The revolution and the years immediately succeeding saw a continuation of the colonial fiscal policy. As taxes had been unpopular under the British administration, the war was supported, especially in the earlier years, by paper money. The third Provincial Congress in 1775 decided to return to the people the poll taxes collected since 1771, which had been a subject of controversy with Governor Martin, and provided

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<sup>5</sup> Raper, p. 146.

<sup>6</sup> *Ibid.*

<sup>7</sup> C. R. VIII 278-281.

for public expenditures by ordering the prosecution of delinquent sheriffs and by issuing \$125,000 in bills of credit.<sup>8</sup> Thus a new currency was established, the dollar to be equivalent to 8s of the old money; also the new bills were to be redeemed by a poll tax of 2s to be levied in 1777.<sup>9</sup> In 1776 there was another issue of \$1,250,000 (£500,000), to be redeemed by a poll tax which should go into operation in 1780; in 1778, \$2,125,000 more were authorized without provision for redemption; and in the face of depreciation varying from 6 to 1 in 1779 to 32 or 50 to 1 in 1780, \$3,100,000 were authorized in the latter year.<sup>10</sup> In 1780 and again in 1781 the taxes for the redemption of the issues of 1775 and 1776 were suspended; the result was that this early money of the revolution, popularly known as state dollars, became practically worthless. With the collapse of paper money the circulation of specie revived, a process well under way in 1782.<sup>11</sup> Then came the first real crisis in the currency policy of the state; the return of specie promised a sounder basis for commerce than had existed, but the fever for paper money, although allayed to some extent by past experiences, was strengthened by the temporary stringency which accompanied the return of specie and the claims of the revolutionary soldiers. So in 1783 two measures of a radical nature were adopted; one repudiated the revolutionary issues and the continental currency as legal tender in the payment of debts; the other provided for a new issue of £100,000 in bills of credit in denomination of shillings and pence, thus setting aside the dollar denomination of the revolution. For redemption of the new currency was reserved the confiscated property of loyalists. A scale of depreciation to be used in settling debts contracted in the past was also adopted, but all who had refused paper money before 1777 or had lost property by the confiscation acts were excluded from its benefits.<sup>12</sup>

The conservative leaders in the state were opposed by principle to the new issue of paper money; they also criticised the

<sup>8</sup> C. R. X 184-194.

<sup>9</sup> C. R. X 195.

<sup>10</sup> C. R. X 572-573; Laws, 1778, 2nd sess. ch. I; 1780, 1st sess. ch. V.

<sup>11</sup> Laws, 1780, ch. XVI; 1781 (3rd sess. 1780) ch. 10. Elliott, *Debates on the Federal Constitution*, IV 90, 189.

<sup>12</sup> Laws 1783, chs. 1, 4,



policy toward the loyalists. Depreciation of the new currency soon commenced, and caused a demand for a second issue. So in 1785 £100,000 more were authorized with a tax for redemption and the reservation of £36,000 for the purchase of tobacco which should be sold and the proceeds be applied in payment of the state's quota of the interest on the continental foreign debts.<sup>13</sup> Depreciation, of course, continued; in 1787 it was at a rate of 13s paper to 8s specie, and in 1786 Richard Dobbs Spaight declared that the North Carolina delegates to the Continental Congress could not attend that body because their salary, paid in state currency, was worthless outside the state.<sup>14</sup>

By no means the least interesting phase of the issue of 1785 was the appropriation for tobacco. It well illustrates the inefficiency and the loose standards of public morals which prevailed. First of all the commissioners who purchased the tobacco were allowed to offer 50s per hundred, which was higher than the market price; the next year, however, they were instructed to offer only the market price. Then considerable weight was lost in storing and transporting the tobacco. Finding a purchaser was also difficult. The delegates in Congress were authorized to act as selling agents and they succeeded in making a contract with an English firm at \$3.50, Spanish milled dollars, per hundred weight for nearly half the authorized purchase. After more than 100,000 pounds had been delivered, the company became insolvent; but credit to the amount due by the company was granted to the state by the continental authorities. Soon another contract was made at \$3., Spanish milled dollars, per hundred. A small sale was also negotiated by Richard Blackledge, one of the commissioners, with a French firm; he withheld the proceeds on the ground that he had a claim against the state for supplies furnished during the war. The legislature, however, refused to recognize the claim and payment was thus forced from Blackledge. Altogether £37,577.55 was spent for tobacco, more than the law contemplated, and to this must be added the commissioners' fees of two and one half per cent., the cost of storage,

<sup>13</sup> Laws 1785 ch. 5.

<sup>14</sup> Letters of Sylvius written by Hugh Williamson in *American Museum*, vol. II, p. 113; Elliott *Debates*, IV, 183; S. R. XX 309.

and transportation. The amount purchased was between one and one half and two million pounds, the amount sold was considerably less, the difference being due to shrinkage and low grade leaf. The story of inefficiency spread beyond the state and was one of the public scandals of the day.<sup>15</sup>

In addition to the forms of currency which have been outlined above were the certificates, undoubtedly the most confusing element in the revolutionary finances of North Carolina. These were promises to pay, bearing interest, either in specie or paper. They were first authorized in 1779 and 1780 when the paper money was depreciating so much as to be practically without value. According to the statutes of those years the Governor and the Treasurers were to receive as loans "such sums of money as the good people of this state shall be willing to supply" and to give in exchange certificates bearing five per cent. interest, redeemable in coin or paper, according to the nature of the loan.<sup>16</sup> In 1781 bounties to the amount of \$26,250,000 were offered as bonus to volunteers, payable in certificates and currency, and the district treasurers in setting claims against the state "for articles heretofore furnished or impressed for the use thereof" were also directed to issue certificates which should be receivable for taxes, and future purchases by the state were to be made in specie, or in certificates.<sup>17</sup> In 1782 certificates redeemable in specie were authorized for the settlement of soldiers' claims arising from the depreciation of paper money or deficiency of clothing.<sup>18</sup>

For the redemption of certificates three measures were adopted. One was to accept them in payment for public lands beyond the mountains. In 1783 the land office was opened for the entry of all lands except those of the Cherokees and the district reserved for soldiers' bounties. The rate of sale was fixed at £10 specie per hundred acres or its equivalent in specie and currency certificates rated by law. The next year the land office was closed on account of the cession of the western lands to Congress but it was re-opened when the cession was repealed.<sup>19</sup> By 1787 4,393,945 acres of land had been entered.

<sup>15</sup> State Records, vol. XX passim; McRee, *Life and Correspondence of James Iredell* II, 139. Elliott, *Debates on the Federal Convention*, IV, 84, 89. *Writings of James Madison*, I 244.

<sup>16</sup> Laws, 1779, ch. II; 1780 2nd sess. ch. II.

<sup>17</sup> Laws, 1781 (last Sess. 1780) ch. I.

<sup>18</sup> Laws, 1782, 1st sess. ch. III.

<sup>19</sup> Laws, 1783, ch. II; 1784 ch. XX; 1786 ch. XX.

This was sufficient to redeem £439,394 of certificates but only £362,662 had been paid in; the balance of £76,731 was never collected, for the entry taker, John Armstrong, died and his estate was insolvent.<sup>21</sup>

Another method of redeeming the certificates was to make them acceptable in the sale of confiscated property, to the extent of two thirds the purchase price, at the rate of 150 to 1 for certificates issued prior to 1781 and 800 to 1 for those issued after that date.<sup>22</sup> A third method of redemption was taxation. The law of 1783 which provided for the new state currency allowed certificates to be accepted in payment of taxes and this policy was renewed in 1784 and 1785.<sup>23</sup> In 1786, however, a tax supplementary to the regular revenue was levied in certificates, continental or state dollars, at the rate of 3s on the hundred acres, 9s on town lots, and 12s on the poll. This special tax was renewed in 1787, 1788, and 1789, but was abandoned in 1790.<sup>24</sup>

The certificates, except those redeemable in specie, like the paper currency, depreciated. In 1782 the ratio to specie was fixed at 150 to 1 for those issued prior to 1781, 800 to 1 for those after that date, bounty certificates excepted.<sup>25</sup> In 1784 the ratio of continental and state dollars and bounty certificates was fixed at 800 to 1 specie, currency certificates as rated in 1782, while specie certificates were rated at their nominal value.<sup>26</sup>

Unfortunately depreciation was not the only evil associated with the certificates. Counterfeiting was prevalent, especially as a means of buying public lands. Also officers holding certificates would often re-issue them after they had been redeemed and were technically valueless. The crowning fraud in certificates was exposed in 1786. Over a score of individuals secured forged certificates and due bills for military ser-

<sup>21</sup> State Records, XX, 133. In 1792 Treasurer Haywood said that he had not brought suit against Armstrong's estate because such proceedings might affect the rights of settlers to the lands; but in 1800 he notes that judgment has been taken for \$50,000, the amount of Armstrong's bond in the court at Hillsboro, and an early settlement was expected. This is the last mention of the case in the Treasurer's reports. Evidently the bond was never collected, *House Journal*, 1792, 144; *Ibid.*, 1800 p. 58.

<sup>22</sup> Laws 1782 ch. VI; also, 1786, ch. XII.

<sup>23</sup> Laws, 1783, ch. 1.

<sup>24</sup> Laws, 1786, chs. VIII; 1788, XI; 1790 ch. XIV.

<sup>25</sup> Laws, 1782, ch. VI.

<sup>26</sup> Laws 1784, 1st sess. ch VI, 2nd sess. ch. IV.

vice, signed by military officers, and presented them to the Commissioners of Army Accounts whose duty was to settle the claims arising from the Revolution. The Commissioners were a party to the frauds, for they received a discount for the false certificates and due bills which they approved. These were cashed by the Treasurer to the amount of £47,175.17 3-4 before the Governor issued an order forbidding further redemption. The Assembly of 1786 made an investigation, ordered the arrest of the offenders and their prosecution by the Attorney-General at the succeeding court at Warrenton. Indictments were found against a number; four were found guilty and were imprisoned, among whom were some of the most prominent men in state politics.<sup>27</sup> Memecun Hunt, Treasurer of the state, was implicated; he resigned and was succeeded by John Haywood in 1787.

The total amount of certificates issued and the total amount redeemed can not be ascertained. "It has been alleged," wrote Hugh Williamson in 1787, "that our certificate debt bears some resemblance to that many headed monster which defied danger; whenever one of its heads was cut off, two other heads arose to support the loss."<sup>28</sup> In 1786 the amount of certificates outstanding was estimated at £786,264.6, face value, with an annual interest of £47,575.1 3-4. The next year the amount outstanding was estimated at £1,000,000, with an interest accruing at £60,000. In 1786 there were in the Comptroller's office £855,763.6.3 specie certificates, £18,701,559.2.1 currency certificates, and £113,653 loan office certificates; these had found their way into the fiscal offices through taxes, land sales, etc., and presumably were burned.<sup>29</sup>

The effects of paper money and certificates on standards of public morality were perhaps their worst feature. Business transactions were honeycombed with fraud. "Some time ago," wrote Williamson, "a young adventurer in North Carolina married a widow who had three children. She chanced to have three thousand hard dollars in the house, two thirds of which belonged to the children. The guardians claimed their share of the specie for the children, and the honest step-

<sup>27</sup> S. R. vol. XVIII, passim; McRee's Iredell, II 155-156.

<sup>28</sup> *American Museum* II, 226 (Letters of Sylvius.)

<sup>29</sup> S. R. XVIII 281: XXI, 352.

father is now buying up paper at twelve or thirteen shillings for the dollar; and such money will be a legal payment for the use of the orphans. Is it strange that paper depreciates when such men are profited by depreciation."<sup>30</sup>

The effects of paper money on trade and credit were indeed confusing. One of the first duties of the legislature after the close of the war was to make provision for the settlement of debts. In 1783 the statute of limitations was suspended from all debts contracted from July 1776 to June 1784, and no suits for debts contracted prior to May 1783 should commence until a year from that time, unless the debtor should attempt to leave the state to avoid payment. Also, in rendering decisions in debtor cases the courts were ordered to give judgment in specie according to a given scale of depreciation although the contract or bond made the obligation payable in paper of the Revolution, and the provisions of the law making these paper issues tender in the payment of debts were repealed.<sup>31</sup>

The statute was so general in its terms that several doubtful questions arose which had to be settled by the courts. First of all was the extent to which the repeal of the tender laws could be applied. Creditors went so far as to claim that payments already made in revolutionary currency should be raised to meet the new scale of depreciation; also that debts previously contracted and unpaid should be settled according to the new standard. Such principles if applied would have worked untold hardship on the debtor class. Hence the court decided that the law of 1783 did not "destroy the effect and operation of the laws upon transactions that had already taken place under them," that the scale of depreciation applied only to claims unadjusted that had been established since depreciation set in (1777), and that in settling debts contracted during the revolution payment should be made according to rate of depreciation for the year in which the debt was contracted. On the other hand the debtors attempted to take advantage of the law by settling their obligations, payable in specie, according to the ratio between specie and state currency set forth in the scale of depreciation. The court held that the scale of de-

<sup>30</sup> *American Museum* II, 113 (Letters of Sylvius.)

<sup>31</sup> Laws, 1783 ch. IV.

preciation could be applied only to the year 1783 in which the act was passed and to previous years, and could not be binding on the future; therefore in the absence of any prohibition the juries might settle all cases of depreciation between paper and specie relating to the same after 1783. A favorite method of adjusting the depreciation was to allow damages for withheld interest equal to the difference between the depreciation fixed in the law and the actual depreciation.<sup>32</sup> Thus the sphere of judicial activity was greatly enlarged and the doctrine of implied powers was invoked. Doubtless much of the opposition to the courts was due to this financial decision, as well as activity in cases arising from confiscated property.

Paper money was closely identified with political development. There was a strong minority opposed to the inflation of the currency; in it were some of the powerful minds of the state. Prominent among them were James Iredell and Samuel Johnston. They were the leading spirits in a popular meeting at Edenton, August, 1783, which, in a series of resolutions, included a protest against the paper money policy of the legislature.<sup>33</sup> James Hogg, writing to Iredell, described the members of the Assembly of 1783 which issued £100,000 of the new bills of credit, as "a set of unprincipled men, who sacrificed everything to their popularity and private views."<sup>34</sup> One of the arguments against the ratification of the Federal Constitution in North Carolina was the prohibition of the states issuing bills of credit, and another, a fear that the existing state currency would be impaired by the monetary clauses of the Federal Constitution.<sup>35</sup> Consequently one of the amendments of the Constitution recommended by North Carolina was a prohibition of Congress or the judiciary interfering with the states "in the redemption of paper money already emitted, now in circulation, or in liquidating the public securities of any one of the states."<sup>36</sup> Moreover the influence of paper money and certificates in politics continued after the ratification of the constitution. Among the nationalising measures of Alexander Hamilton was the assumption

<sup>32</sup> Anonymous, 1 Haywood, 138; Bruton vs. Bullock, Conference Reports, 372; Winslow vs. Bloom, 1 Haywood 217.

<sup>33</sup> McRee's Iredell, II, 60-66.

<sup>34</sup> McRee II, 46.

<sup>35</sup> Elliott, IV, 128-185; McRee II 241.

<sup>36</sup> Elliott IV, p 243.

of the state debts by the Federal Government. It was opposed by the North Carolina representatives in the first Congress. Among the objections made by Hugh Williamson was the fact that the proposed measure did not credit North Carolina with any of the certificates which had been redeemed by 1790 or any payments of the revolutionary claims in the paper money of 1783-85; he also quoted the amendment proposed by North Carolina against Federal interference with state currency and securities.<sup>37</sup> When the state debts were finally funded, the portion assumed for North Carolina was \$1,793,804. There was also a debt to the Federal Government in 1790 of \$568,195.33,6, the difference between the amount advanced to North Carolina by the Continental government and the amount received from the state. In 1793, this was revised, being \$501,082. It was never paid, the claim against the state being dropped in 1801.<sup>38</sup>

## CHAPTER II

### III. THE CURRENCY—1790-1816

Thus, when North Carolina joined the Federal Union in 1789, one of the most demoralizing influences in the state was the inflated currency. Ratification of the Constitution forever ended the possibility of fiat money. There remained, however, the task of retiring the various issues of paper money then in circulation. The following table of the finances for the year 1788 illustrates the four kinds of paper money in use, the double standard of North Carolina currency in force, and the relative values.

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<sup>37</sup> *Annals of Congress*, II, pp 1487-1490.

<sup>38</sup> *American State Papers*, vol. VII. (Finance, I 53, 697).

	Money of 1783-'85	Certificate	Cont'al Doll's	State Doll's	Remarks
Receipts					
Balance ---	6,745. 5.3	65,227.14.11	13,231	408,068	Continental bills 800 to 1 certificate. State Dollar 800 to 1 Certif. 1 £ equivalent to .250, face value
Arrears ---	54,131.18.8	45,329.10. 8 56.12. 2 204.10. 8			
Taxes -----	35,862.14.3	28,475.16.10 16. 2. 4 84.14. 4	32,315	169,476	
Total -----	96,739.18.2	139,394.11.11			
Expenditures for arrears--	60,877.3.11	90.12. 8 110,557. 5. 7	160,112	431,919	The certificates, includ- ing contin'al and State Dollars reduced, charged to expenditures, repre- sent redemption, for they were punched or burned with exception of 90. 12. 8
Current exp. incl'g sinking fund burned--	27,555.10.9	80. 1. 1			
	88,432.14.8	215.19. 3 221.16. 9			
		111,360. 3. 5			
Balance -----	8,307. 3.6	28,034. 8. 6			



The relation of the state to the four kinds of circulating medium in the above table was not uniform. There was no obligation to support the continental and state dollars, for the former had been issued by the Continental Congress and had been in part funded by the paper money issued by the state during the revolution; while the latter, which composed the revolutionary issues, had been repudiated as a tender in the payment of debts in 1783. But they were still receivable for taxes and their contraction was desirable; hence large quantities were burned each year by order of the finance committee of the legislature.<sup>39</sup> But the obligation to the state currency of 1783 and 1785 and the certificates was different; the former had been issued by the state as its standard money; the latter were promises to pay, bearing interest, and the honor and credit of the state required the redemption of them.

The confusion in the certificates, their great depreciation, and the interest accruing from them demanded careful and thorough consideration. In 1788 a tax of 3s. on 100 acres of land, 9s. on the £100 value of town lots, and 9s. on the poll was levied in state or continental dollars, bounty certificates at 800 to 1, specie certificates at their nominal value, or currency certificates at the legal rate of depreciation, as a means of redemption.<sup>40</sup> Thus the state and continental dollars were to be contracted along with the certificates. The next year a more specific measure for "redeeming the certificates and paying the domestic debt" was enacted. This provided for calling in all the certificates by January 1, 1791, and replacing the genuine ones with new certificates, to be redeemed by a tax of 1s. on the 100 acres, 3s. on the £100 value of town lots, and 3s. on the poll, and the money in the treasury not reserved for some other purpose.<sup>41</sup> The report of the reissue, made in 1792, showed that £49,301, s. 9, d. 4 of new certificates had been put into circulation and that there was an outstanding interest debt of £38,372, 16s, 9d. The next law concerning certificates was that of 1794 which made them receivable for land grants at the rate of 50s. per 100 acres and required a second filing of certificates, but excepted from the

<sup>39</sup> In 1789 \$2,067,242.00 were destroyed. S. R. XXI 352.

<sup>40</sup> Laws, 1788, ch. 1.

<sup>41</sup> Laws, 1789, ch. V.

benefits of the law were the Warrenton certificates of 1786 and those issued by Patrick Travers, of Cumberland county.<sup>42</sup> In 1799 a third registration of certificates was ordered, to be completed by Dec. 1, 1800, and all certificates not registered by that date were forever barred from redemption and were not to be received in any payment made to the state.<sup>43</sup> The amount registered was £16,598.5.11 and the accrued interest was estimated at £32,000, increasing at the rate of £1,000 per annum. In 1801 the principal of the certificate debt was estimated at £15,000 and the treasurer was authorized to purchase that amount and to issue new certificates for interest due, but the results were not published. In 1802 another purchase was authorized at the rate of 15s. to each £ of certificate; again, the result is unknown.<sup>44</sup>

In the meantime the sale of land for certificates went steadily on and seems to have been the principal means of redemption. Just when the process was completed is hard to find for the treasurer never made a special report concerning it; no redemption is mentioned in his annual reports after 1817 though income from land sales continued to be given for several years. The following outline, culled from the treasurers' report, shows this process of redemption:

1795	£10,108, 18s, 5d.	1807	£2,515, 0s, 1d.
1796	£37,043, 19s, 3d.	1808	£2,023, 11s, 9d.
1797	£8,171, 0s, 6d.	1809	£1,694, 17s, 9d.
1798	£4,852, 96s, 2d.	1810	£2,606, 18s, 11d.
1799	£7,134, 9s, 6d.	1811	£2,618, 1s, 4d.
1800	£2,918, 19s, 5d.	1812	£2,550, 10s, 10d.
1801	£4,169, 16s, 0d.	1813	
1802	£5,987, 1s, 1d.	1814	
1803	£4,858, 0s, 7d.	1815	
1804	£5,518, 2s, 9d.	1816	\$5,477.55.
1805	£3,331, 8s, 3d.	1817	\$6,352.56.
1806	£3,643, 5s, 10d.		

The state currency, as well as the certificates, required redemption for three reasons; first, its continuous depreciation, the ratio to specie never being less than two to one; second,

<sup>42</sup> Laws, 1794, ch. XVI.

<sup>43</sup> Laws, 1799, ch. III.

<sup>44</sup> Laws, ch. VII.

no new bills of credit could be emitted to replace the depreciated currency after the ratification of the Federal Constitution; and third, the new standard of currency adopted by the Federal government made the North Carolina pound, shilling and pence currency an anachronism; indeed, in 1809 the currency of the United States was recognized as the lawful currency of the state, and permission was given to keep the records of the state in dollars and cents, but the state currency was too widely circulated to permit carrying out the latter provision.<sup>45</sup>

The first step toward redemption was the tax of three pence on each £ value of property in the currency act of 1783; in that of 1785, 5s. 6d. on the 100 acres of land, 1s. 6d. on the £100 value of town lots and 1s. 6d. on the poll were levied for the same purpose.<sup>46</sup> During 1786, 1787, and 1788 £27,304, 19s, 1d. were collected and were burned; with it worn out currency was also destroyed, making a total of £40,218, 19s, 4d. retired.<sup>47</sup> But in 1789 and each subsequent year the sinking tax was suspended; doubtless the immediate pretext for this was the tax imposed on certificates, but a larger and more permanent cause was the general antipathy to taxation in the state.

The final method adopted for retiring the currency was the use of dividends from bank stock and the co-operation of banking institutions. The first banks established in North Carolina were the Bank of the Cape Fear and the Bank of New Bern, which received their charters in 1804.<sup>48</sup> Their combined capital was \$450,000, of which the Bank of the Cape Fear had \$250,000, and the Bank of New Bern \$200,000; the amount of notes and debts of the former was not to exceed \$750,000 over the monies on deposit, of the latter \$600,000; also the right of the state to subscribe 250 shares in each institution was reserved.

The immediate effects of the banks on finance and commerce were good. Their notes, engraved on silk paper, were exchanged for the ragged state currency. The dividends were promising. So in 1807 the Treasurer was ordered to subscribe the number of shares reserved for the state.<sup>49</sup> Soon,

<sup>45</sup> Laws, 1809, ch. XVII.

<sup>46</sup> Laws, 1783, ch. I; 1785, ch. V.

<sup>47</sup> Finance Com., 1793, H. J., p. 38.

<sup>48</sup> Laws, 1804, chs. XXI, XXII.

<sup>49</sup> Laws, 1807, ch. III.

however, the banks began to return into circulation the state currency which they had received, offering it in the payment of debts instead of specie or their own notes. Thus specie was hoarded and depreciation of the bank notes set in, for they were redeemed only in the depreciated currency. Two remedies were applied. The first was to levy a tax of one per cent. on bank stock held by individuals and to limit excessive note issues by ordering the forfeiture of the charters of the banks, if notes in excess of the amount authorized were issued.<sup>50</sup> This was a conservative measure, enacted in 1809. The next year a radical, almost revolutionary measure was taken. That was the charter of a new bank, to be known as the State Bank of North Carolina, which, it was hoped, would absorb the existing banks and equalize the relation between currency and specie. The charter provided for a central bank in Raleigh with branches at Edenton, New Bern, Wilmington, Fayetteville, Tarboro, and Salisbury, with a capitalization not exceeding \$1,600,000, of which \$250,000 were reserved for the state to be paid for in gold and silver or stock of the United States. In subscriptions preference was to be given to the Banks of New Bern and Cape Fear, and no new bank was to be chartered until the charter of the State Bank should expire in 1830. As the charters of the existing banks expired in 1820 it was intended that their capital would thus be invested in the new institution. Three-fourths of the capital stock was to be paid in specie, one-fourth in paper. The indebtedness by bond, bill, note, contract or otherwise was not to exceed \$4,800,000 above the amount on deposit, and all such liabilities, also debts due the bank, were to be redeemed in gold and silver upon judgment in the courts. After the bank went into operation the state currency should not be received as legal tender in payment of debts to the bank, but the state's dividends should be used to redeem the paper currency when presented to the bank.<sup>51</sup> Thus the redemption of the outstanding paper money was provided for along with new banking facilities.

As subscriptions for stock in the new corporation were not as liberal as was expected the charter was amended in

<sup>50</sup> Laws, 1809, ch. II.

<sup>51</sup> Laws, 1810, ch. V.

1811 by extending its duration until 1835, allowing the bank to withhold 4 per cent. of the interest on unpaid stock subscribed by the state, and by exempting the stock and dividends from taxation, provided that the bank would, for one year, from December 18, 1816 to December 18, 1817, take up and exchange the paper currency of the state for bank notes or specie at the rate of 10s. for \$1.00; on compliance with this provision, the Governor was authorized to issue a proclamation that the paper money was no longer a legal tender except to the bank, and the bank should return the currency to the state as dividends on the State's stock.<sup>52</sup>

Thus the redemption of the state currency was provided for and in 1816 the state's financial transactions began to be reckoned in the currency of the United States instead of the state currency. How much of the state currency was retired by the State Bank in the year 1817 is unknown; the amount redeemed by dividends from 1813 to 1824 inclusive was £93,915.<sup>53</sup>

### III. BANKING PROBLEMS—1804-1835

The state currency was disposed of through the co-operation of the banks. But the old evils of inflation and depreciation, which had characterized the long experience with paper money in all its forms, were perpetuated. The chief difference was that instead of paper money the bank notes were the cause of confusion and commercial depression. Two influences contributed to this condition. First of all, there was a rapid increase of banking capital. In 1804 the total authorized capital was \$450,000 with the right to issue \$1,350,000 of notes. In 1810 the authorized capital was increased to \$2,050,000 and the possible note issues to \$6,150,000. However, the operation of the banks was not so extravagant as these provisions might suggest, for their notes stood the strain of the second war with Great Britain well. Said a legislative report of 1817: "When the banks to the west and the south of New England suspended specie payment, the notes issued by the State Bank of North Carolina became in a general degree a continental currency. In Georgia they were at par, receiv-

<sup>52</sup> Laws, 1811, ch. I.

<sup>53</sup> This amount has been computed from the annual reports of the Treasurer.

ed and issued by the banks of that state. In South Carolina they were always at par, except occasionally in the city of Charleston, where they were subject to a small depreciation. Everywhere else they bore a premium, often a considerable one."<sup>54</sup> In 1816 the notes of the North Carolina banks were in demand in the money markets, being quoted at a premium in Philadelphia and in 1817 specie payments were resumed by the banks.

Contemporary with this expansion of the currency there developed a desire for speculation. The more bank notes issued, the greater was the demand for them. This is well illustrated by the re-charter of the banks of New Bern and Cape Fear. In 1814 the directors of those institutions petitioned the legislature for an extension of the charters, which would expire in 1820. The petition was granted on condition that the banks would increase their capital to \$800,000 each.<sup>55</sup> In favor of the measure it was argued that the existence of only one bank after 1820, viz: the State Bank of North Carolina, would create a monopoly and an aristocracy of money which would be dangerous to the liberty of the people.<sup>56</sup> Competition in the banking business was therefore desirable. So the Bank of the Cape Fear was allowed to add 5,250 shares to its capital stock, the bank of New Bern 5,750; of this the state was to subscribe 1,000 shares in each institution, and 180 shares of each subscription should be a bonus, and 410 in each should be paid for in treasury notes, the rest at the convenience of the state with no interest on the deferred payments. The state was to receive dividends on the stock subscribed, but only the margin above six per cent. on the stock unpaid for.<sup>57</sup>

Thus an element of confusion was injected into the monetary condition by the issue of \$82,000 of treasury notes with which bank stock was purchased. But the taste for treasury notes, once aroused, could only be satisfied by another issue. So in 1816, when specie was scarce, \$80,000 in denominations of less than one dollar were thrown into circulation through the State Bank, to be accepted in payments of obligations to the

<sup>54</sup> Report of A. D. Murphy on the *Banks* (Senate Journal, 1817, pp. 89-91.)

<sup>55</sup> Laws, 1814 ch. VI.

<sup>56</sup> Debates in a bill directing the prosecution against the several banks of the State (Raleigh, 1829) Pp. 42-43.

<sup>57</sup> Laws, 1814 ch. VI.

state and again thrown into circulation by the Treasurer, and when received at the State Bank were to be credited to the debt of the state to the bank.<sup>58</sup> In the meantime the banks increased their note issues, the State Bank from \$145,000 in 1812 to \$1,283,677 in 1818; by 1819 those of the Bank of New Bern were \$553,180, of the Bank of the Cape Fear \$739,935.<sup>59</sup>

The desire for banking investments increased with the inflation of the note issues. In 1817 a legislative committee recommended an increase in the capital stock of the State Bank and when the directors declined, the unsold stock amounting to 4,240 shares was by legislative action placed on the market. There was a feeling that the state should assume the entire amount, but this seemed impossible because the directors declared that preference was to be given to small investors and that no proxies would be permitted at the time of subscription. The legislature thereupon resolved that members might purchase shares with money advanced by the Treasurer and quietly turn them over to the state. Only 18 shares were thus secured; evidently the legislators exhausted their bids in making personal purchases and neglected the commission for the state.<sup>60</sup> At the next session a bill to increase the capital stock of the banks of the Cape Fear and New Bern was introduced but lost in the Commons.<sup>61</sup>

In 1819 a third influence, the inevitable result of expansion of the currency and speculation, increased the confusion and created an incalculable depression. That was a rapid return of the surplus bank notes upon the banks, and a drain on specie. Brokers began to buy the notes of the banks and to submit them for redemption in specie, thus greatly reducing the coin in the vaults of the banks. The process and its results are well described in a legislative report of 1819 as follows: "Waggon after waggon was loaded with specie until the banks found, or thought they found, that the facility of procuring specie produced an effect opposite to that which is usual with established credit. The notes were not permitted to circulate, but were collected, and sent in for payment. The specie in the vaults was rapidly sinking and the difficulty of continuing

<sup>58</sup> Laws, 1816, ch. VI.

<sup>59</sup> Reports and Minutes of the Proceedings of Joint Select Committee on the Banks, *passim*.

<sup>60</sup> Debates, pp 44, 46, 48. (Speech of Swain.)

<sup>61</sup> Debates, p 44. (Speech of Swain.)

specie payments appeared imminent. The only practicable means were to call on the debtors for payment. To the banks it was not material whether the notes were paid in their notes or specie. The first withdrew their notes from the reach of the brokers. The last enabled the banks to meet them by whomsoever presented. Unquestionably this was the regular remedy, if it were not forbidden by peculiar reasons. But it was represented that the situation of the state did not leave it in the power of its citizens to pay these debts without the most ruinous sacrifices of property and universal distress. This distress the banks were obliged to occasion or hazard the credit of their institution. Thus situated, they adopted the alternative which they believed the less michievous . . .

. They refused specie to brokers but paid them off in drafts of the North to the South. The distinction between brokers and others was too minute to be steadily observed; others have, no doubt, been refused subsequently, or have found difficulty in procuring specie for notes presented."<sup>62</sup>

The above quotation is notable for two reasons; first, it was made in 1819 at the beginning of the great financial crisis which swept over the South and West and gives a favorable construction to the suspension of specie payment by the North Carolina banks; secondly, it was an official, legislative report, the spirit of which was a contrast to the radicalism that was manifest in the legislature a few years later.

Unfortunately the suspension of specie payment did not put an end to the pressure on the banks. The brokers had recourse to the courts and secured judgments forcing payment in specie. The banks had either to close their doors or to increase the amount of specie. For the latter purpose several questionable methods were resorted to. One, practised by the State Bank and the Bank of New Bern, was to refuse accommodation to customers unless payment should be in specie; as illustration, a loan of \$1,000 in notes would be made on condition that the principal and interest should be paid in specie. As the bank notes were discounted at 5 per cent. and the rate of interest on the bond was 6 per cent., it was charged that 11 per cent. interest was being exacted, which was

<sup>62</sup> *Senate Journal*, 1819, pp 121-124.



usury. Another expedient, used by the State Bank and the Bank of the Cape Fear, was to buy their own notes outside the state at a figure higher than the market price as a means of "appreciating the notes and giving them greater currency." The same institutions also purchased stock of the Second Bank of the United States as a means of securing funds equivalent to specie. Moreover, the president of the State Bank in 1822 and 1827 bought cotton with the bank's funds, selling for specie at a profit in 1822 but at a loss in 1827. This was not an irregularity merely; it was a violation of the bank's charter.<sup>63</sup>

By such means the banks endeavored to protect their notes without calling in their loans. The state also offered aid; the legislature in 1820 authorized the purchase of bank stock with the surplus money in the treasury, and in 1821 153 shares of the State Bank were bought, 53 of the Bank of New Bern, and 108 of the Bank of the Cape Fear.<sup>64</sup> In 1823 further support of the banks was given by the issue of \$100,000 of treasury notes, which were to be a legal tender for all financial obligations to the state. These were then thrown into circulation and bank notes and specie received in exchange were to be invested in bank stock.<sup>65</sup> Accordingly 24 shares in the State Bank, 330 in the Bank of New Bern, and 680 in the Bank of the Cape Fear were purchased in 1826. The Literary Board also came to the aid of the banks by purchasing 204 shares of the State Bank, 141 of the Bank of New Bern and 50 of the Bank of the Cape Fear in 1828.<sup>66</sup> But all these measures proved ineffective, for in 1825 a powerful influence began to operate which forced a resumption of specie. This was the Second Bank of the United States. In 1825 the branch at Fayetteville began to make payment in United States notes only, but received the notes of the local banks unreservedly, and in 1827 "branch drafts" were offered in exchange for the notes of the North Carolina banks.<sup>67</sup> The result was that the Second Bank secured large amounts of notes of the North Carolina banks, submitted

<sup>63</sup> Reports and minutes of the proceedings of the joint committee, *passim*.

<sup>64</sup> Laws of 1820, ch. XV; Comp. Report, 1821.

<sup>65</sup> Laws, 1823 ch. 7.

<sup>66</sup> Report of the Literary Board 1829.

<sup>67</sup> Comptroller's Report, 1826.

them in demand for specie, and the banks were forced to comply with the demand. The banks, outgeneraled in the game of finance, were forced to call in their loans which amounted to \$5,500,000, while the notes in circulation had shrunk to \$1,500,000. In December 1828, the stockholders of the State Bank met and a committee recommended a wind up of its business, but action on the report was postponed until the following June.

Undoubtedly some practices of the banks were clear violations of the charters; others if adopted to day, when general banking laws have been worked out, would cause the prosecution of bank officials. There was ample material for a political attack on the banks based on their relation to the state and an audience was at hand consisting of the debtors who were being forced by the banks to meet their obligations. When the legislature of 1828-29 met a joint committee made an examination of the affairs of the banks. Its report was two fold: that of the majority, after reviewing the questionable methods introduced into the banking business during the past few years, recommended that the banks be compelled to meet their obligations in specie. That of the minority magnified the indiscretion and violations of banking rules into extortions of the people, in the following manner. First, the payment of part of the subscriptions for bank stock in personal notes instead of in specie was characterized as a fraud. Referring to the additions to the capital stock of the banks of New Bern and Cape Fear the report said: "It is in evidence to the undersigned that the whole of the additional stock was manufactured by the banks themselves, and that, in many instances, favored individuals were permitted to acquire stock by subscribing their names and putting their notes into the bank, without advancing a single dollar for capital. It follows that the whole amount of the interest drawn from the people, or the loans made from this fictitious capital, was a foul and illegal extortion."<sup>68</sup>

Likewise the method by which subscriptions to the stock of the State Bank were paid was censured. Of the capital with which the institution began business, \$1,176,000, only \$500,000

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<sup>68</sup> Report of the minutes and proceedings of the Joint Committee, p. 7.

was in specie, the rest being bank notes. Also when the remainder of the stock was placed on the market in 1818, sales were negotiated in bank notes. "But the charter," says the committee, "authorized the bank to operate on a real and intrinsic capital, and directed that that capital should be paid into the bank by the stockholders. In the transaction referred to, the bank, by a scribbling process of its own, created capital, and paid off a portion of its debt, by the very act by which it also increased its capital."<sup>69</sup>

The evils of buying stock at advanced rates and of speculation in cotton were also condemned by the minority. The damage inflicted on the people was described as follows: "It appears that the people of North Carolina, having already paid to the banks since they went into operation a profit of \$4,000,000 on their stock—stock, too, three-fourths of which was manufactured by the banks themselves in a fictitious and fraudulent manner—that having paid this immense sum, exceeding four times the amount of actual capital stock ever paid into the bank according to law, they still hold the notes of the people for more than \$5,000,000, about four times the amount of the whole circulating medium of the State. Thus it is in the power of the banks absolutely to extinguish the currency of the country, and when they have taken every dollar out of circulation, still to have a debt against the people to the amount of about \$4,000,000 . . .

. The communication from the stockholders of the State Bank now before the committee, expresses the opinion that it is for the interest of the stockholders to withdraw their money from the bank, and take it under their own management; and contains a resolution by which they have proclaimed their determination to assemble June the next, in order to wind up their affairs; and, consequently the affairs of the people of North Carolina. Thus, having for years contrived by illegal and fraudulent practices to draw from the people all the profits of their labors, and having by these practices placed the people in an impoverished condition, where they can no longer pay them large profits, they are now preparing by one fell swoop to extort from them the actual means of subsistence."<sup>70</sup>

<sup>69</sup> *Ibid* p. 8.

<sup>70</sup> *Ibid* p. 10.

In conclusion the minority report expressed the conviction that the banks had violated their charters and recommended that the Attorney-General institute proceedings against them through the writ of quo warranto, or other legal process.<sup>71</sup>

The question of adopting the majority or minority report led to one of the memorable debates in the legislature of North Carolina. Mr. Potter, chairman of the joint committee and leader of the minority, submitted a bill directing the Attorney-General to bring quo warranto proceedings against the banks, the trial to be conducted by the Supreme Court with a jury, and in case of a verdict of guilty, the Court was to take over the affairs of the banks and the Governor was to pledge the faith of the state for the redemption of the notes and debts of the institutions.<sup>72</sup> The opposition to the bill was led in the House of Commons by William Gaston and David L. Swain, who threw some light on the conduct of the banks different from that of the minority report. Mr. Swain showed that the expansion of banking capital was due to pressure of the legislature, while Gaston took up a number of specific accusations against the banks. In reply to the charge of accepting illegally notes for subscription to bank stock, he showed that the amended charters of the banks of New Bern and Cape Fear did not require specie to be paid for the new stock and that subscriptions made to the State Bank in paper (promissory notes) were necessary because at that time the other banks had a monopoly on the specie in the state. Thus expediency, not a desire to defraud, caused this violation of sound banking; but a modern reader of his speech must be surprised at the claim that offering notes redeemable in specie was equivalent to paying in specie. Gaston also maintained that requiring those who applied for loans to pay the principal and interest in specie was not usury, for the intention of the banks was not to get unlawful interest but to preserve specie, and the specie so obtained was soon paid out in redemption of the notes. Practically, however, any one must see that the practice imposed a burden on the debtor equivalent to usury. As to the remedy proposed, a

<sup>71</sup> *Ibid* p. 11.

<sup>72</sup> Debates on the bill directing a prosecution of the several banks, pp 9-10.

dissolution of the banks, Gaston made the following criticism, the most cogent part of his speech:

"Do you wish to produce a forfeiture of the charters? The effect is a dissolution of the corporations—a complete extinction of their existence. And when this takes place, what is the condition of our country? Upon the dissolution of the corporation—upon its civil death I state the law to be, and I state it with an entire readiness to pledge on the correctness of this statement, my professional reputation, whatever it may be—I state the law to be, that the lands of the corporation revert to those from whom they came—that the personal chattels are taken by the State, for the want of an owner—and that all debts due to or from the corporation are completely and forever extinguished. Suppose the Bank Corporations dissolved, then, and what is the condition of our country? The debtors are indeed released—they may be benefitted by the tremendous catastrophe. But what of the value of the million and half of the bank notes in circulation? They are converted into rags. What the value of your 7,027 shares of bank stock? Whence will come your available funds to carry on the operations of government? How are you from an impoverished people to raise the necessary revenue?"<sup>73</sup>

In reply to Mr. Gaston Mr. Alexander took the position that the debts due the banks would, on the dissolution of the corporation, become the property of the state which would make proper disposition of them, citing the seizure of loyalist property during the revolution.<sup>74</sup> Gaston, in rejoinder showed that loyalist property was not the property of citizens but of aliens, while banking property was the property of citizens and by a decision of the courts the property of citizens "is placed out of the power of the collective body of the people and no act of the General Assembly could impair property rights, nor could the legislature provide a new penalty for the punishment of past deeds, for that would be a violation of the charters, retrospective law making, a revolutionary principle in North Carolina and a violation of the federal constitution."<sup>75</sup>

<sup>73</sup> *Ibid* pp. 54-65.

<sup>74</sup> *Ibid* pp. 67-68.

<sup>75</sup> *Ibid* pp. 69-72.

The argument of Gaston was by far the ablest of all the defenders of the banks. Indeed the opposition to the program of the radicals was so strong that Mr. Potter modified his bill so as to make the State Bank alone the object of prosecution and to have the state guarantee its debts. After some discussion of the amended bill the vote was taken. The result was a tie which was broken in favor of the opposition by the ballot of Mr. Settle, the speaker of the House of Commons.<sup>76</sup>

The charters of the banks were thus saved from judicial procedure, but the conflict between radical and conservative finance took a new form the next year. The banks of New Bern and of the Cape Fear petitioned for an extension of their charters so as to give their debtors easier terms in settling their accounts, the bill being introduced by Mr. Gaston. The radicals opposed the measure; they declared that the banks had known for years when their charters would expire, that they should have taken measures earlier to wind up their business, and that an extension of the charters would not help the people but merely accomodate the banks and in the light of their misdemeanors such a favor should not be granted. Again the most convincing argument was made by Gaston. He showed that the sentiment of the stock holders was to make over the banking property to trustees immediately and wind up the business; that the proposed extension of the charters was suggested by a legislative committee which had been appointed at the last session to examine into the affairs of the banks; and that the measure would be in the interest of the people. Mainly to Mr. Gaston's argument was due the success of the movement for extension. As finally shaped, the law provided for an extension of the charters of all the banks until 1838; prohibited new loans by the State Bank after September 1, 1830, by others after December 31, 1834, forbade any accomodation loans after September 1, 1830; limited the installment on the existing debts to not more than one half each ninety days and also prohibited the issue of bills under \$5 after December 1, 1832 or any denomination after December 31, 1834, and required the redemp-

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<sup>76</sup> *Ibid* pp. 86-88; 120-121.

tion of one third of the existing debts by December 1834; allowed the bank stock to be received in payment of debts; and dividends of capital stock might be issued after January 1, 1833. The State Bank was also allowed to reduce the number of its directors and the tax on the stock of the other banks was to be abolished after 1834.<sup>77</sup>

The second financial issue of 1829-30 was the establishment of a new bank. This problem was an imperative one on account of the approaching dissolution of the existing banks. In the discussion there was a long and bitter conflict between the influences of sound and radical finance. The matter was opened by a bill for a Bank of the State presented by Mr. Martin, of Rockingham county. The capital of the proposed institution was to consist of all property and stock of the state not otherwise appropriated, including lands, bank stock, funds and notes due the state, etc., its officers were to be elected annually by the legislature, its loans were to be made on real estate or discount notes with two indorsements, and the funds available for loans were to be appropriated among the counties in proportion to the amount of taxes paid, with a trustee in each county to negotiate the loans and to represent the bank, and cash with which the bank would begin operations should be procured by the issue of state bonds to the amount of \$300,000, which should be sold for specie and the state should be reimbursed by the profits of the bank.<sup>78</sup>

In support of this bill the experience of other states was cited, notably that of Alabama and Georgia. It was also argued that the bank would receive on deposit funds realized from the state's stock in other banks and that the production of gold in North Carolina would enable the directors to secure a large amount of the precious metal which would be converted into specie. In the Senate, although the evils in the plan were ably exposed by Mr. Meares, the bill was carried by a vote of 33 to 25. In the Commons there was a vigorous and successful opposition, Swain and Gaston again making the most effective arguments. Swain advanced the objection that the notes of a bank founded on assets of

<sup>77</sup> Laws, 1830, chs. I, II.

<sup>78</sup> Debate in the bill for establishing a Bank of the State, p 3. (Raleigh, 1830.)

the state would violate the clause of the federal constitution which forbade the states to issue bills of credit, while Gaston emphasized the inherent danger of the state undertaking the banking business.<sup>79</sup> Most remarkable, however, was his arraignment of the men who fostered the plan for such a bank as that under discussion. He said:—

"I trust that I shall give no offense, and most certainly intend none, when I state that there are few in this body who possess the accurate information on this subject which is necessary to protect them from error and imposition. The business of banking in a State so little commercial as ours, cannot be expected to be well understood in its principles, much less in its details. Several gentlemen, indeed, avow themselves to be acquainted with the subject and they are of course obliged to on the judgment and fidelity of those who advance higher pretensions. If, unfortunately, those should prove blind or treacherous guides, how can their followers hope to escape from injury?

"But there is far more danger to be apprehended than want of knowledge. Honest ignorance is often associated with prudence, which like these wonderful instincts bestowed by a bountiful Creator on inferior beings, performs its salutary purpose with a certainty beyond the reach of enlightened reason . . . . Our perils arise chiefly from other quarters. They arise from the time, from selfishness, and above all from the love of popularity. Among the consequences which have resulted from excessive banking in this state, few are more prominent than the breaking down of those who have freely availed themselves of the accommodations it offered. Some of these individuals are deserving of our best sympathies . . . . But such are not all. Unquestionably there are many who, bankrupt in reputation as in fortune, turn to patriotism as a trade and strive to win place and make money by pandering to the prejudices of the ignorant, the hopes of the necessitous, and the wishes of the vicious. Is it strange that these should project schemes by which new money-factories are to be erected—offices with fine salaries created—and the means of tinkering broken characters and supplying squandered es-

<sup>79</sup> *Ibid*, *passim*.



tates, made abundant and easy? Is it singular that they should find a ready hearing with the yet larger number of those who, embarrassed but not broken, alarmed but not despairing, seize eagerly upon every suggestion that promises a change of creditor, or or a postponement of the demand, awaiting some lucky chance till a gold mine or a lottery ticket shall rescue them from threatened ruin? Or is it extraordinary that those, who are themselves free from selfish or impure motives, should catch by contagion the sentiments disseminated around them and rashly pledge themselves to plans which they do not understand but which they are assured are to produce incalculable benefits to their neighbors and friends?

"Perhaps even these are not the principal sources of the unwise views which seem to prevail. There is a fashion in political whimsies as in the fancies of dress, which is adopted without examination, runs its course and then passeth away. Banks of the State have been lately the fashion around us. All of them have not yet broken, and thus made manifest the wretched materials of which they were constructed. And why should we not have banks of the State also? This I am convinced, sir, operates most powerfully to produce the delusion which I lament, and which it is my anxious wish to dispel. And as the novelties of dress most strongly attract those who long to catch woman's smile, and please woman's eye, so the novelties of legislation are most readily adopted by the politicians who are eager in the race for popular favor. As no strength of understanding secures the young gallant from the absurdities of the mode, so neither sense nor principle protects from pernicious but fashionable political errors, him who is over solicitous to please the people."<sup>80</sup>

The opposition to the bill was aided by a technicality: the text of the bill as presented had some gaps regarding the amount of capital of the proposed bank; it was therefore sent back to the Senate as not "perfect" according to the rules of the legislature. The Senate, however, declared the bill perfect; again the House referred the bill to the Senate when the gaps were filled in, but by the time this matter was

<sup>80</sup> *Ibid.*, pp 75-90.

adjusted, Gaston, Swain and other leaders of the opposition in the House had secured strength enough to secure indefinite postponement by a vote of 67 to 63.

The movement for a bank on the funds of the state was again defeated in the sessions of 1830-31, 1831-1832, but in 1832 the State Bank declared a stock dividend of 50 per cent. and was nearly ready to close its doors. This made some new provision for banking more urgent than ever. Six bills for a new bank were introduced in the session of 1832-33; that of Mr. Barringer was finally adopted with some amendments. It provided for a Bank of North Carolina with a capital of \$2,000,000, one half of which was to be subscribed by the state; the officers were to be elected the first year by the stockholders, thereafter by the legislature.<sup>81</sup> The institution thus outlined was not organized, the reason therefor being that the private stock was not subscribed, capitalists not caring to be a party to an institution whose officers would be elected by the legislature. So at the next session the charter was remodeled. A new name, Bank of the State of North Carolina, was chosen, the charter was to extend to 1860, the capital was fixed at \$1,500,000 to be paid in gold or silver or their equivalents, of which the state was to subscribe two fifths, the number of directors was fixed at ten, of whom four should be appointed by the state, and the Treasurer of the state should be a member *ex officio*. The bank was to open its doors when one half of the stock should be paid in, but no dividends should be declared until the entire stock was sold. The note issues were limited to twice the amount of capital.<sup>82</sup>

At the same session the charter of the Bank of the Cape Fear was extended until January 1, 1855 with a capital of 8,000 shares, and its debt limit was fixed at \$1,600,000 above the amount on deposit. Private banks at New Bern and Edenton were chartered at the same session.

The evils and controversies which arose from the early experience in banking suggest certain questions pertaining to the relation of the banks to the state, the currency, and

<sup>81</sup> *Raleigh Register*, June, 1830, *passim*.

<sup>82</sup> *Laws*, 1833, ch. I.

public opinion. First of these is the value of the state's investment in bank stock. The table on the opposite page shows the total income from each bank, the amount of the state's actual investment, and the resulting profit.

Thus the investments of the state in bank stock yielded a large profit. Also the state's stock contributed to the growth of new economic and social ideals through the Fund for Internal Improvements and the Literary Fund. To the former was appropriated the state's dividends from the Banks of New Bern and the Cape Fear in 1821, while in 1825 the additional stock in these banks purchased with the treasury notes of 1823 was made a part of the Literary Fund. However, the internal improvement policy of the state was a notorious failure, and no expenditures from the Literary Fund were made for schools until 1839. Also the policies of the banks, already reviewed, were not conducive to prosperity among the people; and when the people suffer, any prosperity on the part of the government is very nominal.

The extent to which the currency was inflated can not be determined; but it is certain that the amount of notes in circulation was not so great as the charters of the banks would permit. Also, in 1825 and thereafter, when the influence of the Second Bank of the United States was felt, there was a gradual contraction of the notes in circulation, the issues of the State Bank declining from \$1,598,673 to \$655,156, those of the Bank of the Cape Fear from \$776,417 to \$235,460, and those of the Bank of New Bern from \$677,597 to \$325,444.

An unique feature of the inflation of the currency was the issue between the years 1825 and 1828 of treasury notes by the state. Although the constitutionality of issuing them was questioned, notably by Gaston, no step was taken in the courts to test their validity. They were gradually redeemed and the redemption was a strain on the treasury in years when the state was facing a deficit. The following table shows the process of redemption:

	No. Share	Cost	Stock Dividend*	Profit of Stock Dividend	Regular and Bonus Dividend	Taxes	Total	Total Profit of State
State Bank -----	3,050	\$136,206.50 +2,400.00	‡ 286,788.00	\$148,181.50	\$465,611.00		\$752,399.00	\$ 613,792.50§
		138,606.50						
Bank of Cape Fear-----	2,122	83,540.00 64,600.00			143,764.00	107,198.00	251,962.00	103,822.00
		148,140.00						
Bank of Newbern-----	1,959	100,810.00 33,000.00	157,111.80	23,301.80	151,944.74	116,762.35	452,717.89	291,907.89
		133,810.00						
	7,131	\$420,556.50	\$443,899.80	\$171,483.30	\$761,319.74	\$223,960.35	\$440,078.89	\$1,009,522.39

\* By stock dividends is meant the amount returned to stockholders when the bank closed up business preparatory to dissolution.

‡ In making settlement with the State Bank, the state contended that a dividend should be declared on 8 shares of stock subscribed, but unpaid for. The bank held that such dividend should be applied to debt of the state. The latter was referred to the Supreme Court, which handed down a decision in favor of the bank. The Court held that the dividends of 1831 and 1832 were properly stock dividends and the capital of the bank was impaired when they were declared. (State vs. Bank, 21 N. C. Report, 345.) Freeman was appointed to open the matter, and the defendants were ordered to pay the State \$17,964.83.

§ In 1835 the State claimed that taxes should be paid out of the stockholders' dividends, not the general fund of the bank; thus leaving a larger sum for dividends to the State. But the Supreme Court would not support the plea. (State vs. Bank of the Cape Fear. 21 N. C. Reports, 216.)

## TOTAL ISSUE

1814	\$ 82,000
1816	80,000
1823	100,000
<hr/>	
	\$262,000

## AMOUNT BURNED YEARLY

1819	\$943.34	1827	9,303.76
1821	7,710.00	1828	17,781.89
1822	9,784.52	1829	19,971.85 1-2
1823	6,310.51 1-4	1830	21,601.61
1824	5,696.25	1831	29,811.77
1825	12,170.89 3-4	1833	10,565.41
1826	15,392.46	1832	18,681.38 3-4
1827	15,523.98	1833	3,356.29
		1834	5,138.22

Finally the cleavage between the forces of conservatism and radicalism in adjusting the banking problem was deep and lasting. Illustrative of this is the fact that Swain and Gaston, the leaders of the conservative faction, were later leaders of the anti-Jackson movement in North Carolina and that the issue which caused the greatest defection from Jackson in the state was his financial policy of 1832. Thus sound financial policies were one of the fundamental bases of the Whig party in North Carolina.

awful. Rode from thence to Williamsburg and had rest after riding forty English miles and preaching twice. Slept in peace.

THURSDAY, JULY 14. Here Bro. John Robertson and Bro. Benjamin Brown. Bro. O'Kelly preached in the capitol to a numerous crowd of souls from John 1—11-12, and wept over them. Took his leave of them for Hampton again. After I dined I took horse for my nativity and had some difficulty in crossing James River, but through Providence I crossed about half after six o'clock. I rode till within the night to Bro. Piland's in a surrency. I am very poorly indeed. I am naught but a poor worm of the earth.

SATURDAY, AUGUST 20. Rode to my stage under many concords of mind. I spake from Revelation 3-21. I had light and liberty, and was led particularly to explode slavery. I am poorly and have felt for several days as if every sermon would be my last, but the Lord doth strengthen me uncommonly. Rode home with Bro. W. R.—a good place. Dear sister R. is a dear soul.—Bro. R. likewise. I am happy here, temptations a few but they are common. Blessed in prayer quiet in public, the Lord be forever praised.

THURSDAY, SEPTEMBER 1. I am very poorly, though I visited some of the brethren from house to house, prayed and instructed them. In evening prayer-meeting I exhorted. The Lord brought one soul to the knowledge of the truth. We had a good time in general.

SATURDAY, SEPTEMBER 3. Preached to a small company of serious people from Daniel 6-16—some liberty, good meeting. Rode to Hampton, prayer-meeting here tonight, a good time but I am distressed, I am perplexed, anti-pedo-baptists are after my lambs, they try to steal them from me as the wolf. They howl by day and by night. I fear I shall be under the necessity of publicly exposing them, but this is very disagreeable to me.

SATURDAY, SEPTEMBER 10. My mind is much embarrassed. I feel my dreariness of soul. I mourn, O! what shall I do for more of God. Baptized a black woman's child. Who laughed at me while I was talking to her. I felt rather a scruple in my mind whether or not I must baptize the child, considering that it was not legally begotten, and she so greatly

is to come in. I lay down my all and begin to work for my dear Master. Many blacks, (I have thought that I could get more blacks to hear me preach of a night than whites in the day), I spoke considerably unto them in their different stations. The supreme power from Heaven came down in the first prayer, many of the dear souls disturbed but not comforted, after speaking unto them in general, I separated them and met my class. I was much blessed while speaking unto them, joined six or seven. I have had three meetings with them and have joined twenty-three. By this time I was much exhausted, but did not lie down until about twenty minutes after twelve. The arms of love were around me.

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MONDAY, JULY 11. This morning my exercises are very many and painful to me, but I am fixed to live and die for God, and for souls. No preaching. I spent the day in working, and visting from house to house among the brethren in Hampton. This night my dear, old Bro. James O. Kelly, came. O! how unspeakably thankful I was, he brought me glad tidings. Zion travels and brings forth here also. We had a powerful time of it in family prayer. My Bro. D. Skinner came over with them also—a pious man of God. We had sweet counsel together.

TUESDAY, JULY 12. Bro. O'Kelly preached a powerful sermon from John 9—35-36-37-38. A solid move among the souls of this people—in the evening we had prayer. The Lord came and smote sinners to the ground. By this time the report of our meeting began to reach the ears of the people who came by dozens, but would not come into the house. Bro. O'K. spoke considerably unto them, at the door first and then again at the window, this time was an alarm to this town.

WEDNESDAY, JULY 13. We, the preachers, Bro. O'K and Bro. Ellis, took our leave of the brethren for Yorktown. Bro. O'Kelly preached to a beautiful company of people from St. James 8-20. Dined with Mr. Messak, gentleman. Then walked up to old sister Smith's and administered the sacrament. From there rode to Bro. Wm. Ellis and preached to a crowded house of people. The people truly trembled, the place was very

awful. Rode from thence to Williamsburg and had rest after riding forty English miles and preaching twice. Slept in peace.

THURSDAY, JULY 14. Here Bro. John Robertson and Bro. Benjamin Brown. Bro. O'Kelly preached in the capitol to a numerous crowd of souls from John 1—11-12, and wept over them. Took his leave of them for Hampton again. After I dined I took horse for my nativity and had some difficulty in crossing James River, but through Providence I crossed about half after six o'clock. I rode till within the night to Bro. Piland's in a surrey. I am very poorly indeed. I am naught but a poor worm of the earth.

SATURDAY, AUGUST 20. Rode to my stage under many concords of mind. I spake from Revelation 3-21. I had light and liberty, and was led particularly to explode slavery. I am poorly and have felt for several days as if every sermon would be my last, but the Lord doth strengthen me uncommonly. Rode home with Bro. W. R.—a good place. Dear sister R. is a dear soul.—Bro. R. likewise. I am happy here, temptations a few but they are common. Blessed in prayer quiet in public, the Lord be forever praised.

THURSDAY, SEPTEMBER 1. I am very poorly, though I visited some of the brethren from house to house, prayed and instructed them. In evening prayer-meeting I exhorted. The Lord brought one soul to the knowledge of the truth. We had a good time in general.

SATURDAY, SEPTEMBER 3. Preached to a small company of serious people from Daniel 6-16—some liberty, good meeting. Rode to Hampton, prayer-meeting here tonight, a good time but I am distressed, I am perplexed, anti-pedo-baptists are after my lambs, they try to steal them from me as the wolf. They howl by day and by night. I fear I shall be under the necessity of publicly exposing them, but this is very disagreeable to me.

SATURDAY, SEPTEMBER 10. My mind is much embarrassed. I feel my dreariness of soul. I mourn, O! what shall I do for more of God. Baptized a black woman's child. Who laughed at me while I was talking to her. I felt rather a scruple in my mind whether or not I must baptize the child, considering that it was not legally begotten, and she so greatly



wicked, but she promised me to try and do all for its spiritual good that she could; so I baptized it. Rode to Charles City. New chapel, found a good congregation, to whom I spoke from Hebrew 11-6. Rode home with sister Sally Drake.

TUESDAY, SEPTEMBER 13. I preached today at Bro. Power's from Revelations 3-21. I had a sweet time in my own soul. Some sinners seemed to be affected, here I received two letters, one from Bro. Stephen Davidson, an elder, who spoke largely upon the conduct of a preacher who can give up the ministry for a woman, and can delight more in a lady's chamber than in his studies. It struck me with awe. The second was from D. Suthell, a preacher in the South District of Virginia, who informed me of Bro. J. N. and Bro. W. H.'s mourning which pierced me through. Rode and dined with Bro. Atkinson, and had prayer and rode home with my good brother and sister Austin where I am to preach tomorrow, God willing. It is good to be here, no children, nothing to tempt a preacher, but all to edify him. We had a sweet time this night.

TUESDAY, SEPTEMBER 20. Not well but took horse for Richmond to see and hear old Bro. James O.'K. preach. About four o'clock I safely arrived and found the dear old soul in his room well and happy (but lost my great-coat by the way) which is strange to me, when I missed it I did not feel the least change of mind. I was truly glad and thankful to meet my dear old Bro. O'Kelly. He is like a dear father to me. We had a most precious time of it. His large diocese flourishes generally. Bro. W. H. is certainly broken the law of celibacy. Well the Lord knows what is best.

MONDAY, OCTOBER 3. As I rode to meeting I conversed with a poor woman of our community respecting her cruelty with her poor slaves, but could not do anything with her. She persisted in her own way and testified she would still do the same if they would not work. I told her if she would that she might not expect to continue in communion with us. She said she could serve the Lord out as well in. I preached on a funeral occasion to a large number of people from Ecclesiastes 9-10. But little impression. Here met me my Dr. Little and Bro. Christopher Mooring on his way from his father's to his circuit again, we rode to Bro. William Parish's and dined; then rode to Bro. Broddenhaurs. I am not well.

Several came out tonight and Bro. Mooring gave an exhortation. We had a precious time in mutual converse.

TUESDAY, OCTOBER 11. Rode to meeting and spoke to the people from Psalms 124-7. No liberty. The people some affected. A good class meeting. Rode to Cumberland and dined with Mr. Robert Hayes, a good friend to me. This night I preach to the poor blacks, who hath built there a good meeting-house, from Daniel 6-16. I felt much with and for them, poor creatures, how affected they were, great power among them. Their kindness excuses their abilities. How they bestowed their presents of pears and apples. I felt the Lord to be with me all this day. Happy, Happy.

WEDNESDAY, NOVEMBER 2. I rode early to visit the poor condemned malefactors, three white men to be executed Friday. They are probably distressed, but from what motive I can't tell unless it is for fear of death, more than Hell. It is truly lamentable that men will serve the devil until they end their lives at the gallows. O! this gallows repentance is dangerous. Rode from there to my stage and found a few women to whom I spoke from 1 John, 4-19. We had a good time. Rode this night to see my old dear Brother B. Weedon, and found him happy but several of the family sick.

SUNDAY, NOVEMBER 27. Feel poorly, but set out very early for Richmond to meet Bro. O'K. where I met with several of the dear preachers. Bro. W. M. from Amelia, Bro. O. B. from Manchester, Bro. J. H. from Hanover, we went to the state-house, and found two of the old clergy, who would not give place. One of them preached from these words, "Re-deeming the time because the days are evil." After him Bro. O'Kelly preached from John 5-40. From thence we rode to Mr. Allen's about ten miles. Bro. O'Kelly preached from Psalms, 19-this night, a time of sorrow to me. I am so needy and have so little.

SATURDAY, DECEMBER 10. Rode early to Hanover town to Q. M. Bro. O'Kelly preached from Roman 5-14. I concluded with exhortation and prayer, little or no stir among the people yet. I hope good was done. After preaching we all dined at Bro. Anderson's. The sisters sent up to know if we would come down and pray for them. We did so, and bless the Lord. I thing I never saw a sweeter power in my life.

O how sweet my poor soul was filled. I rolled on the floor, and sang and praised my dear Lord Jesus. I was happy, happy, happy beyond all expression.

SUNDAY, DECEMBER 11. Sweet sacrament. Many people. Bro. O'Kelly preached. The Lord owned his words, I believe this night. Bro. O'Kelly and myself rode up to my good old sister Peters', fifteen miles. This place is good for the poor preachers, happy in family prayers.

SUNDAY, DECEMBER 25. CHRISTMAS DAY. My poor soul is pained to hear the children of the devil shooting. Rode very early to the conference to hear the experiences of the dear preachers, but it was nearly over before I got there. There were six deacons ordained, three travelling and three local. Mr. Asbury preached from John, 4—14. A very great sermon, indeed I believe it had the powerful effect upon the congregation. Bro. Marvel gave a warm exhortation. Likewise after him Bro. O'Kelly. The Lord let down his awful power, and soon I could not hear him speak, being drowned with the cries and shouts of the people. Then came on the communion. Fifty preachers I saw surround the Lord's Table. In this time a precious dear woman, sister Whitehead, rose up and begged the preachers to excuse her, she was weak and a poor woman, but she was awfully impressed with grief and that was almost more than she could bear up under. She said when she turned her eyes upon the young sisters and saw them catching after the modes of fashion of this world which passes away, backsliding from God and wounding his cause, she could scarcely bear up under her grief, and what was worse than all her poor dear young preachers, some of them would be following the fashions of the wicked world that ought to be examples of the flock. Numbers looking at them and justifying themselves by such and such preachers and something else added with. They would stand in the pulpit and explode the cursed practice of slavery, and then they themselves would marry a young woman who held slaves and keep them fast in bloody slavery. Members who have been professors of the religion of Jesus Christ for ten or twelve years would come to me and apparently be as happy as saints in Heaven, and follow them home and you will see their slaves in the field and kitchens cruelly oppressed, half starved, and nearly naked. O! my

Lord, is this the religion of my adorable master Jesus? How can I keep grieving over these cruel oppressions who are in error. And I fear they will be slaves to the devil in Hell forever. So the dear woman swooned away being greatly exhausted. I hope this lecture may never be forgotten.

1792

FRIDAY, FEBRUARY 10. On my way to Hampton I called upon one Mr. Goodwin, who appears to be under a deep concern for his future state. Told me that he had offered to the Baptists, and that they thought him a fit subject for their admission, but upon their asking him his faith, they would not receive him as he did not believe in Reprobation and Election, he is very desirous of hearing of us preach. I rode to Hampton. I found my old pain to return, the Lord assist me to bear up and not give way to over much sorrow. But I am of that spirit and nature, I cannot help it; it appears sometimes as if it would be my ruin; but I try to trust in the Lord, may I continue so to do all my days.

WEDNESDAY, FEBRUARY 22. This morning I arose and paid homage to the Great I Am. I felt his divine presence,—after prayer in the family I rode to my stage and found a pretty congregation to which I spoke from Thessalonians 1, 7, 8, 9. I had the divine presence of the Lord, the people felt the word, a precious time in class, my soul was powerfully drawn out after the prosperity of Zion,—here I and two of the poor women, whom I suspended yesterday, who informed me, that each party is reconciled to each other again which gives me unspeakable satisfaction.

MONDAY, FEBRUARY 27. I feel very poorly in both body and mind. I have to preach a funeral sermon over two of the dead today. The Lord assist me to be faithful. Preached today to a large congregation of people from St. John 11, 25, 26, the people seemed effected, this day I saw the covering of two graves; in about nine days I have stood at the graves of seven persons, and warned sinners to prepare for the last space of Eternity. Baptized one child. This night I preach from Roman 6, 22. The Lord poured out his blessed spirit. The poor blacks were much engaged. I baptized one child, my

spirit sinks very low at present, but I give myself unto prayer. The Lord is my only help, Glory, Glory. Amen.

WEDNESDAY, JUNE 6. Rode with C. S. M. to Wm. Armistead's in N. Kent, where we met with a few people. M. preached about one-half hour to them. We had a sweet refreshment in time of class. In family prayer God was with us in power. O! how terribly I was impressed with the enormous weight of that gaulding yoke of oppression. The people below had been alarmed, they say by an insurrection of the poor blacks on the eastern shore, but on their trial and examination it appears it was only the surmisings of the devil in the oppression. Their conscience must indeed vastly alarmed them, and represents much shocking horror enslaving so many thousand of poor men and women, that they formed such strong and plain consequences of the continuation of this cursed cruelty that it was supposed to be then the very case, and so brought numbers to trial. But what was made appear? Nothing but a guilty conscience on the side of the oppressor. O! if they feel such horror here, what will they feel when stood before a just God. O! how soon the cursed venom began to fly against the poor Methodists and Quakers when the report of an insurrection began to spread. Some were for hanging the preachers on a tree. O! what an honorable death this would have been for a preacher of the Gospel had God seen it best.

MONDAY, AUGUST 27. I preached to a very large weeping congregation from Galatians 3, 29, and spoke much to the feeling and experiment of the people which greatly effected their precious time in class. Several subscribed to the petition of the Humane Society to the Assembly for the gradual abolition of slavery. I rode and tarried this night with a poor sick penitent man, whom I hope God will bless with a sense of his love. I spoke here to the blacks at night who seemed affected.

MONDAY, OCTOBER 29. Early we rode to Leesburg and took some refreshments from thence to old sister Owen's, Meriland state; in time family prayers the Lord visited my sould that I could scarcely stand.

TUESDAY, OCTOBER 30. My feelings have been much hurt this day by some expressions which dropped from the preach-

ers, but I must bear it with patience. We dined this day at Hues, from thence rode to Baltimore town, and was appointed to lodge at Bro. Isaac Bassett's with my affectionate Bro. D. Southall, where we have a little room and bed with other necessities as my heart could wish.

WEDNESDAY, OCTOBER 31. I have done some temporal business and visited some of the preachers. My mind is stayed on God. I wish to do His will in all things. This night Bro. P. E., my presiding elder, preached from Amos 2—7. Meeting was closed with prayer.

THURSDAY, NOVEMBER 1. The Bishops safely arrived and Conference was opened. Many were the debates, and but little done. My mind is weary now and what will it be by the time our Conference is at an end. This night Bro. T. T. presiding preacher from Kentucky, preached from Ephesians 5—8. Many pointed truths were delivered, a larger attentive congregation I never saw in a town before. I think that the singing of the Methodists in Baltimore exceeds anything and everything of the kind I ever hear before. It appears to be the nearest relation to Heaven of anything ever before presented to my ear.

FRIDAY, NOVEMBER 2. My mind hath been crowded with the business of Conference. Our business goes on very slowly, and I am weary. I hear preaching two times every day. The Methodists in this town are truly remarkable for piety and plainness.

SATURDAY, NOVEMBER 3. Business is yet slow. My mind more and more fatigued. I heard preaching at the Point this night from Bro. G. W. from I Tim. 1—15, Bro. L. C. and Bro. I. C. exhorted. But little good was done.

SUNDAY, NOVEMBER 4. Dr. Coke from Romans 8—16 to a crowded number of souls at three o'clock, and O'K. preached to near two thousand souls from "Lord increase our faith." At six, Bro. H. W. preached to a greater number. My soul hath heard much preaching, Lord help me to improve.

MONDAY, NOVEMBER 5. Conference is yet having the debates now in hand. This debate is—shall the preacher have an appeal to the District Conference if he thinks himself aggrieved by the station which the Bishop gives him. The debate is lengthy. It has been near twenty-four hours, and not yet de-

terminated. Our debate is still confined, and the time of preaching came on, we all repaired from this house to the Rev. Wm. Auterbine's church, who is called the Dutch Methodist. After near two hours' debate, it was put to ballot, and the large majority gave it to the Bishop. I am but poorly in body or mind, yet I hope on God.

TUESDAY, NOVEMBER 6. The Conference met according to adjournment. The list was called and business proceeded to. Bro. O'K. was absent but sent a letter to the Conference, it was read and many tears shed. A committee of three elders was chosen, Bro. T. G., Bro. F. B., and Bro. R. S., to visit him to try and prevail with him to come into Conference again, but could not. He was pointedly opposed to the Bishop having that power contended for. It went against him and he has taken his farewell of Conference. I think my poor heart scarcely ever felt the like before. I could not refrain from weeping deeply. I hope God will still direct aright, and give us our dear old Bro. and good fellow back again. If he comes not back I fear bad consequences will accrue.

WEDNESDAY, NOVEMBER 7. The house now begins to advance in doing business. My mind is still pained, but God is Love. I am given unto my God and His works, but O! to what little purpose do I live.

THURSDAY, NOVEMBER 8. Our business goes on tolerable. I am more and more pained, Lord help me. Bro. O'K., Bro. W. M., Bro. I. W., Bro. T. R., and Bro. R. H. have all left Conference and returned home. The question is now shall there be a delegated conference which is only the council baptized over again into a Conference. I hope this motion will not pass, as I am aware of the result.

FRIDAY, NOVEMBER 9. My soul waits to prove what is that good and acceptable will of God. This morning the delegated Conference was put to vote and there was but three votes for a delegation. I bless my God for it.

SATURDAY, NOVEMBER 10. My soul waits on Jesus, but not enough. I feel my body very much disordered, but give up all to God.

SUNDAY, NOVEMBER 11. I am still in pain, and so little comforted at this conference I know not that I shall ever be at another. I have heard four sermons this day, I am full of

preaching, but I fear that I did not digest it aright.

MONDAY, NOVEMBER 12. Weary and sick, I want to get away, not because my brethren are not kind to me here, they are more to me than I could expect. I hope the Lord will amply compensate them for their trouble with and labor of love for me.

TUESDAY, NOVEMBER 13. I am still sick, but not weary of the Lord's service. He is my trust, in Him is my stay.

WEDNESDAY, NOVEMBER 14. I am still poorly and pained in mind, but to whom shall I go for succor or refuge, but unto the Lord. This night I heard old Bro. I. Ellis preach a very good sermon. Here I met with a treatise which I never saw before, the sin Annanias.

THURSDAY, NOVEMBER 15. I am fixed to seek for more of God. Lord assist me in this great work. This night Conference broke. Preaching began at candle-light. Dr. Coke preached, Bro. Sampson exhorted. The wicked hath a very fine elegant house sitting within about eight feet from our meeting-house, they had a great ball this night, but the Lord broke it up by pouring out his spirit upon the people. Under preaching eight or nine souls were converted to God and the ball was ruined. Bless my God for all the good that is done on earth.

1793

THURSDAY, MARCH 28. I rode to my old Bro. Edges' in the neighborhood of R. Creek where I met with many of the brethren who have separated from us, to whom I spoke from Jude 19—20-21. I had liberty and felt great love to them. I pity them from my own heart. Well, I am if possible more than ever fixed to live and die the same in profession the same as from the beginning.

FRIDAY, MARCH 29. I preached at Bro. Mann's to eight or nine souls from Psalms 34—17, and had the presence of the Lord; after preaching I talked considerable with John Chapelle who is one of the members of the Republican Conference and preached. He appears predetermined to persevere in his dangerous practice. I find my spirits very much hurt by talking with him. We had some close conversations. I wish Satan may not obtain his ends in these people. O! My soul come not



thou into their secrets not into their assembly, Lord help me to bear up.

WEDNESDAY, JANUARY 9. About eleven o'clock I set out for Mr. Almond's twenty-five miles. I missed my way twice, but safely reached my good Mr. Almond's about the setting of the sun. I found both he and his kind pardner very unwell. Here I hear the fatal news which I have for two weeks feared. All the classes for two weeks round hath met and are prede-termined not to be governed by our rules of discipline. Neither to accept of us the travelling preachers as to govern them, but hath set apart the first day of March, next, as the time for all preachers and people who are of a republican spirit to meet at McGehee's barn in Prince Edward County in order to form a code of laws to govern themselves by and then to call their man to enforce their rules and preach unto them. I am in pain, what to do I know not. They say we may come and preach to them, but I shall heed them not, neither may I expect any support from them. This will not do for us. I cannot feel willing to visit them on those terms. Lord undertake for us, we pray for the peace of Jerusalem, we pray Thee to receive us again, must Zion fall, will not the Lord, the God of Abraham, Isaac and Jacob help us.

SATURDAY, FEBRUARY 9. I have no appointment to preach today, but I hope to improve my time, Mr. M. and myself retired out into the granary, and while we were there, a poor black man came in and fixed his eyes upon me and said—"What have you got for me." I told him I had some good counsel for him if he would but accept of it. He said that is what I want. So I proceeded to teach him the way of salvation by faith. He stood very attentive, the water streamed from his poor eyes from three streams. I think his poor heart was truly sensible of what I said respecting Christ being formed in him the hope of glory and so he left us begging our prayers.

FRIDAY, FEBRUARY 22. The Lord is my refuge. Brother W. rode several miles with me to direct me on my way to my appointment, and I conversed largely and freely with him on many things. He expressed himself as being greatly satisfied with respect to the relations I gave him of the conduct of the General Conference. Also we talked on slavery, but he can-

not see as he ought, yet he is not as many others are, full of prejudice. I preached today at Mr. Cardwell's to a pretty serious attentive people, from John 8, 12. I had much comfort and I believe the word had effect upon many. The Lord gave us a divine shower in time of class meeting.

FRIDAY, MARCH 22. I preached in Pride's Church (Amelia) to a few people from First Thessalonians 2—13. I had but little liberty, yet the Lord was with us in time of class meeting. We had a very happy time here. I heard from the Republican Conference. They have drawn up a petition to send to William Asbury to have their grievances removed. Gross inconsistency, after having published themselves in the Gazette as being formed together in a formal protest against prelatical government and also against William Asbury and his adherents. Reject the church governments with the preachers, and now to petition that power against which they absolutely rebel is an inconsistency and something which I cannot reconcile to my reason without an imposition. I tarried this night at Mr. Good's.

THURSDAY, APRIL 25. I rode fifteen miles and preached to the people who have separated themselves from original Methodism from Luke 11-28, but felt as if I had been preaching to mine enemies. I tarried this night with Samuel White. His wife is a dear woman. She weeps for poor Zion. She is greatly distressed because of the rebellious ones, and told me that she was afraid to open her mouth one way or the other. Her husband has left us and she is compelled to go with him.

FRIDAY, APRIL 26. This morning I have talked pointedly to Bro. White. He is a blind man to truth. I opened as well as I could (to him) the nature and plan of our church from which he has revolted, but he was dull (or wilful) of apprehension, so I left him and rode and preached at Bro. Mann's from I Peter 3,—7, 8, 9, 10. I was pointed and wish God may direct the arrow. From there I rode fifteen miles to Bro. Reese's but was very poorly indeed, fasting, preaching and riding so far greatly effects my head and nerves. My poor soul feels barren and empty.

1796

TUESDAY, OCTOBER 11. Not finding passage by water to

Baltimore, set out on horseback and rode till late within the night. This week I have rode regularly on my way toward Baltimore.

WEDNESDAY, OCTOBER 19. I reached Baltimore and found a number of preachers present. My lodging is at Bro. Fonardon. A good man and a local preacher, the Lord be my guide.

THURSDAY, OCTOBER 20. Conference met and proceeded to business. We assembled with peace and harmony. My soul longeth for the living God. Dr. Coke preached this evening.

FRIDAY, OCTOBER 21. Our business continues in peace and harmony.

SATURDAY, OCTOBER 22. Peace overspreads our conference. May the Lord continue it.

SUNDAY, OCTOBER 23. I heard several sermons this day. William Asbury preached at three o'clock. My soul was filled with gratitude.

MONDAY, OCTOBER 24. The Lord, the blessed Lord of the universe, is with us. O! may we all keep an eye to His glory.

TUESDAY, OCTOBER 25. Our business goes on but slowly. My mind is much agitated, but I trust in God, my Savior.

WEDNESDAY, OCTOBER 26. May this with all and every other day of my life be for God. We dispatch business but slowly, but I hope what we do may be successful for the Lord.

SATURDAY, OCTOBER 29. The small-pox has broke among the preachers, May the Lord keep poor me from the hands of death. I wish God to have my heart.

SUNDAY, OCTOBER 30. The Lord is at work. Numbers have been converted at this Conference. There is scarcely a sermon but some one is said to find the Lord.

MONDAY, OCTOBER 31. I am very poorly in body and mind. I hear here so many new objects hourly striking my observation that I find it hard to keep my mind where it ought to be. The work of the Lord goes on with some regularity and success. Many souls have been converted during the sitting of this Conference. Our next General Conference is to be held here in November 1800. Perhaps not one-third of the ministers who compose this Conference will live to sit in the next.

